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NEWS SUMMARY

GENERAL

U.S. and Jordan ease tension

Tension between the U.S. and Jordan has apparently eased after the first talks for three years between President Carter and King Hussein.

Mr. Carter said Jordan could not avoid a central role in Middle East peacemaking, although King Husseio said be still disagreed with the U.S. approach. Page 6

● Syria and the Palestine Liberation Organisation said they would adopt a tougher policy towards Israel. Egypt and the U.S. aimed at changing Arab strategy in the region. Page 4

Whitehall 'switch'

Civil Service Department work should be taken over by the Treasury, says Cabinet Secretary Sir Robert Armstrong. Parliament, Page 13

Bolivian unrest

Bolivian right-wingers occupied provincial government offices, 11 days before general and presidential elections.

Rebel isle talks

New Hebridean Government officials and secessionist leaders on Espiritu Santo will meet today for peace talks as Britain and France hold talks in Paris.

Iran 'coup plot'

Iranian newspaper disclosed details of what it said was a plot to overthrow President Bani-Sadr.

Exodus warning

Business leaders in Zimbabwe warned that Government policies could spark a mass exodus of whites.

VIPs searched

VIPs entering the Royal Enclosure at Ascot races were searched after a hoax bomb call. The scare was over before the Queen arrived.

Nuclear protest

Two men protesting against unloading of nuclear waste from Japan were cut free by police after chaining themselves to a floating crane at Barrow-in-Furness docks.

Executive pay

British managers are still less well paid than executives abroad, despite higher salaries and the strength of sterling, says a survey. Page 10

Death inquiry

British coroner is to investigate the death of nurse Helen Smith in Saudi Arabia.

Speech dropped

Militant Gaullist protests prompted French President Giscard d'Estaing to drop plans to speak at a wartime memorial on the fortieth anniversary of General de Gaulle's call for French resistance. Page 2

Docherty to stay

Tommy Docherty will remain manager of Queens Park Rangers despite facing perjury charges, the club said.

Wine fraud

Two businessmen who put false labels on cheap wine to pass it off as high quality Chablis received suspended sentences at the Old Bailey.

Easel money

Painting by Giuseppe Pellizza, bought for "next-to-nothing" and identified after a television programme, was sold for £165,000 at Sotheby's. Saleroom, Page 10

England win

England beat Spain 2-1 in the European soccer championship

BUSINESS

Gold up $13; equities gain 4.1

● GILTS strengthened further on continuing investment demand but eased back on later profit-taking. Longs and *mediums closed up to 1¼ higher*. Shorts gained up to ½. The Government Securities index rose 0.3 to 70.39. Page 40

● EQUITY leaders saw fresh institutional buying after early losses. The FT 30-share index gained 4.1 to 473.1. Page 40

● STERLING gained 35 points to close at $2.3330, but was easier overall. Its trade-weighted index slipped to 73.4 from 73.5. DOLLAR was slightly easier and its index was 83.3 (83.4). Page 33

● *GOLD rose* $13 an ounce in London to $604.5. Page 33

● WALL STREET was 0.59 higher at 879.86 before the close. Page 34

● JAPAN'S current account trade deficit *fell* to $1.75bn last month from $1.924bn in April mainly through bigger exports of cars and steel. Back Page

● RCA president Maurice Valente, who was tipped to become chairman, has been removed from his post. Back Page

● INMOS micro-chip venture of the National Enterprise Board has been put at risk because of the Government's delay in sanctioning a second £25m tranche, the board chairman said. Page 8

● ICL, a leading computer company, has won export orders for multi-layer printed circuit boards and expects sales to grow 20 per cent a year to £5m by 1982. Page 8

● *UNILEVER NV of Holland is* arranging a $100m ten-year Eurobond which carries a coupon of 9¾ per cent through Amsterdam Rotterdam Bank. Page 30

LABOUR

● UNIONS will tell 22,000 white collar workers in ICI today to start industrial action, "which will include strikes," following the breakdown of pay talks. Page 13

● COMMERCIAL UNION insurance company has agreed to give its 7,500 clerical and junior managerial grades 18 to 22 per cent pay rises, with a further 5 per cent in December. Page 13

COMPANIES

● WESTLAND AIRCRAFT reports pre-tax profits for the *six* months to March 31 £6.36m higher at £10.57m. It also announced a joint venture with an Italian company to market a new helicopter. Page 26 and Lex, Back Page

● ANGLIA TELEVISION Group raised taxable profits £950,000 to £2.97m for the six months to April 30. Page 26

● CAMREX, the specialised paints and coatings manufacturer, saw a stormy annual meeting which defeated a call to reject the report and accounts. Page 27

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Treasury 12pc 1984	£98	+ ½
Exch. 10½pc 1995	£80½	+ 1½
Akroyd & Smithers	291	+ 10
Alpine Soft Drinks	98	+ 9
Anglia TV "A"	82	+ 6
BATs Defd.	270	+ 7
Boots	217	+ 5
Brownlee	94	+ 7
Cater Ryder	340	+ 10
Emess Lighting	143	+ 9
Grattan Warehouses	68	+ 6
GUS "A"	432	+ 10
GKN	260	+ 5
Hazlewood Foods	96	+ 10
Kleinwort Benson	172	+ 7
Lesney	13	+ 2
Minster Assets	48	+ 4
Pilkington	237	+ 5
Quest Auto.	157	+ 15
Sharna Ware	180	+ 8
Watson & Philip	40	+ 5
Westland	94	+ 14
Anglo Am. Corp.	560	+ 15
Berjuntai	205	+ 10
Otter Exploration	92	+ 10
Saint Helena	£15¼	+ ½
Selection Trust	704	+ 22
Sungei Besi	305	+ 20
FALLS:		
Bradford Prop.	180	− 6
Downs Surgical	29	− 4
Dundonian	60	− 4
Ewer (G.)	51	− 5½
Ferranti	538	− 12
Kitchen (R. Taylor)	125	− 15
Martin (A.)	33	− 5
BP	372	− 6
Silkolene	198	− 12
Impala Plat.	266	− 10
Leichardt Expln.	270	− 10
Southern Kinta	310	− 40

Wages must rise less than prices, Bank experts say

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

WAGE INCREASES will have to be much lower than price rises for a while, possibly by more than 5 percentage points, if the rate of price inflation is to slow significantly, the Bank of England argues in its quarterly bulletin.

The Bank's warning follows yesterday's publication of official figures showing that the underlying rate of growth of average earnings accelerated from between 14 and 15 per cent last summer to 21½ per cent in April.

The bulletin points out that wages, adjusted for inflation, have risen by distinctly more than 5 per cent in the past two years, if the 1979 indirect tax increases are discounted.

"To get inflation down within a reasonable period, it may be necessary for something like that gain to be reversed in the short term. That would entail restraint in the public as well as the private sector."

The Bank argues that it would "greatly reduce the pain and duration of the adjustment if pay settlements were now to be in line with the monetary target." That lays down a 7 to 11 per cent limit for the growth of sterling M3, the broadly defined money supply.

The remarks are presented as a statement of fact rather than as specific proposals, and the Bank carefully avoids discussion of the desirability of a formal incomes policy.

However, the implied range for wage increases of at most 10 to 12 per cent accords with the figure mentioned last week by Mr. John Nott, the Trade Secretary.

The Bank argues that present fiscal and monetary policies need to be continued, as "a less restrictive posture of policy would clearly be inappropriate at a time when inflation is so high."

The bulletin offers the hope, however, that "the growth of sterling M3 may moderate to an extent which permits falls in interest rates. Larger possibilities of lower interest rates will open up as inflation falls off."

The Bank discusses the impact of the acceleration of inflation, combined with a strong pound, on the competitive position of British goods. As measured by relative unit labour costs, competitiveness deteriorated by 40 per cent or slightly more between the end of 1976 and last month.

Looking at the inflation prospects, the Bank notes that "wage increases, especially in manufacturing, may have already been restrained by weak demand conditions, and this restraint should be stronger by the next wage round."

Nevertheless, the overall rate of growth of earnings has accelerated markedly in the present round. Latest figures show that the index covering 21m workers in the whole economy rose by 21.2 per cent to 174.8 (January 1976=100) in the year to April, the largest increase for more than four years.

That compares with a 20.3 per cent rate in March and 13.5 per cent a year ago.

Officials reckon that the continuing impact of the steel strike depressed the index in April so that the underlying annual rise was about 21½ per cent.

Earnings are still being boosted by the awards in the public sector of the Clegg comparability commission. Those

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Real wages, Page 25
Wage deals, Page 13

Fewer candidates seek membership of Lloyd's

BY JOHN MOORE

THE PROBLEM of Lloyd's of London, the insurance market backed by private capital, have brought a sharp reduction in the number of people seking membership.

Only 800 candidates are expected to come forward this year, compared with the 1,274 who sought membership in 1979.

The latest figures were disclosed at a general meeting of Lloyd's members yesterday by Mr. Peter Green, Lloyd's chairman. Mr. Colin Thomas, secretary general of the Corporation of Lloyd's, the organisation's top administrative post, was resigning and would devote his time to the implementation of the recommendations of the Fisher Committee on self-regulation of the Lloyd's market and that Lloyd's members were to be subjected to regular means tests.

The present trend means Lloyd's membership might show a rise of only slightly more than 4 per cent on the total of 18,552, the smallest rate of growth in membership since the mid-1970s.

"This is a reduction from the exceptional figures of recent years but is much more in line with the usual intake," Mr. Green said.

Members resigning from Lloyd's in 1979 totalled 87, compared with 56 the previous year.

He told members Lloyd's as a whole "is coming under criticism for its daily handling of the routine of insurance—the delivery of the policy or other evidence of insurance, the collection and payment of premium and, perhaps worst of all, delay in the assured receiving the proceeds of his claim, about which I receive frequent complaints from all parts of the world.

"Too frequently, the fault lies fairly and squarely in London."

The committee and the market associations "will be giving this subject very close attention in the coming year," Mr. Green said. "I have given instructions that all complaints of late payment of claims made to the advisory department are to be shown to myself or one of the deputy chairmen.

"Very many of the complaints will, as in the past, be then dealt with by the department."

Serious cases would be investigated by one of the chairmen.

Disciplinary procedures set out under the Lloyd's Acts, Mr. Green said, were "cumbersome, requiring in some cases the appointment of arbitrators to *determine guilt* before the matter is considered by members in general meeting.

"This has led to delays. In other cases, the delay has been aggravated by pending litigation. Your committee must find better disciplinary procedures."

The report by Sir Henry Fisher's working party into self-regulation within the Lloyd's market would be published and sent to members next week.

"It is a lengthy and well argued document with a large number of recommendations. Your committee has reached its preliminary conclusions."

Although Lloyd's decided recently to tighten the security requirements in its market by asking members to increase their deposits, those proposals had been deferred until after Sir Henry's recommendations had been considered.

Continued on Back Page

Fraser likely to beat Lonrho

BY CHRISTINE MOIR

LONRHO, the international trading group headed by Mr. Tiny Rowland, seems certain to lose its midday battle at the House of Fraser annual meeting in Glasgow to impose four of its own directors on the board of the store group and force a higher dividend.

By yesterday evening the Fraser board appeared to have overwhelming support for its defence against the moves. Much telephoning by Warburg, the bank advising Fraser, has produced an unusually heavy response from the 38,000 shareholders, some 80 per cent of whom appear to have cast their votes

Lonrho has nearly 30 per cent of Fraser's shares, but it needs a 75 per cent majority to overturn the board's dividend recommendation of 4p in favour of its own demands for a 6p payout. The proxy battle, therefore, on this resolution appears to have gone heavily against it.

The move to increase Lonrho's representatives on the Fraser Board from two to six needs only a simple majority, but even here the indications are that the Fraser Board has sufficient votes to see off the encroachment.

Mr. Rowland was quoted yesterday as conceding defeat in advance, but an official spokesman for the company said only there was "no comment"

Today's meeting is expected to be packed and the Fraser Board has been making arrangements to transfer to the Central Hotel in Glasgow if the Merchants House proves unable to cope with the attendance.

Meanwhile, Sir Hugh Fraser, the retailing company's chairman, has been busy with his own personal affairs. Yesterday it was announced that he had sold his Stirlingshire home, Cattermuir Lodge, for "a six-figure sum" to Mr. Jim Gillespie, who owns an open cast mining company in Lanarkshire.

Lonrho not to bid for Shotton, Page 10

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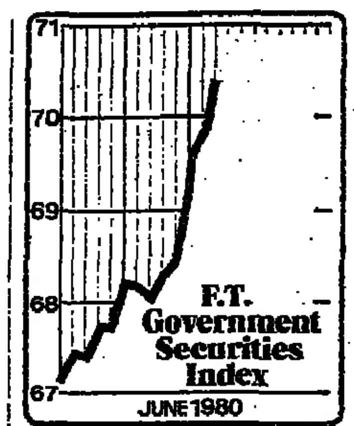

Gilt-edged stocks up once more

By Our Economics Correspondent

PRICES of gilt-edged stocks rose sharply yesterday for the fifth trading day running in response to renewed speculation about an early cut in Minimum Lending Rate.

Long-dated stocks showed rises of up to £1½, slightly below the day's best, to raise the cumulative gains so far this week to over £3½.

There have been particularly large capital gains for those who bought the 1994 tap stock when it was sold out on Monday at £40⅛. Last night the stock closed at £43½ to show a potential profit of 8 per cent.

The FT Government Securities index rose 0.5 points yesterday to 70.39, a 1980 high and over a tenth higher than in early March.

There were market rumours last night of a cut in MLR today but this was regarded as highly unlikely.

It is still expected that the Government will wait until there is clearer evidence that the rate of monetary growth is within the target range. Official figures this afternoon are expected to confirm that the rise since the start of the latest target period in February has been slightly above this range.

A further reason for caution is uncertainty about what will happen to bank lending following the end of the corset controls on the growth of the banks' operations at the close of business yesterday.

Banks could still incur penalties arising from yesterday's figures but the effective constraint has now disappeared.

£ in New York

—	June 17	Previous
Spot	$2.3345-3360	$2.3305-3320
1 month	1.63-1.57 dis	1.58-1.52 dis.
3 months	4.13-4.07 dis	4.45-4.39 dis.
12 months	9.60-9.40 dis.	10.50-10.30 dis.

South Africa fears spread of violence

BY QUENTIN PEEL IN JOHANNESBURG

FEARS OF countrywide unrest in South Africa on the scale of the 1976 Soweto riots rose yesterday with a renewed outbreak of violence in Cape Town. The head of the South African police force warned that his men would shoot at rioters to kill as it became clear that the two days of rioting have so far claimed at least 40 lives.

The South African Government yesterday showed its determination to crush the violence with a massive display of force, but Coloured (mixed race) community leaders warned that the disturbances could spread. They called for a meeting with Mr. P. W. Botha, the Prime Minister, to resolve the community's grievances.

Reinforcements of riot police were flown to the Cape yesterday, when rioting broke out again in the township of Elsies River, where Leyland South Africa has its car plant. Sporadic incidents of looting and arson as well as the sound of gunfire were reported.

General Mike Geldenhuys, the Commissioner of Police, said his men would maintain law and order at all costs, and would show no mercy to rioters. Earlier, he warned that they would use live ammunition and shoot to kill any looters and arsonists.

He declined to give any figures for the death toll so far, but checks made by local newspapers at hospitals in the area estimate the number of dead at more than 40. There are fears that the toll could rise to 60. More than 200 people were wounded, including several policemen and motorists caught in stoning incidents. Damage to shops and businesses runs into millions of rand.

Government spokesman yesterday blamed the rioting, the climax of weeks of escalating tension in the Coloured townships, on criminal elements in the Coloured community. School pupils in the townships have been boycotting their classes for the past two months, while their parents have been involved in a two-week-long boycott of buses because of big fare increases.

Mr. Louis Le Grange, the Minister of Police, said the action had been taken over by "criminal, violent elements, and we will act relentlessly against them. No longer is this community action, but a case of completely irresponsible elements," he said.

"It is the police's duty to protect the responsible and law-abiding citizens who are in the majority, and we will do so, no matter what."

Amid growing fears that the violence could spread to other communities, including black townships, the Reverend Alan Hendrickse, leader of the Coloured Labour Party, called on Mr. Botha to meet recognised leaders of the

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Tesco announces £1.1m profit drop to £36.5m

BY JOHN MAKINSON

TESCO, the supermarket chain which three years ago launched a High Street price war, is suffering the consequences of rapid growth and diversification into non-food products. Yesterday it announced a £1.1m drop in profits to £36.5m.

The Tesco figures come a month after its main competitor, J. Sainsbury, declared a 41 per cent profit leap to £46m. Both increased their shares of the packaged grocery market. Tesco now has 14.6 per cent, compared with Sainsbury's 12 per cent.

The profits slide does not necessarily mean Tesco is losing to Sainsbury and Asda, the retail arm of Associated Dairies. Sales last year rose almost 30 per cent to £1.6m, with volume up more than 10 per cent. Home 'n' Wear, its non-food division, was the cause of its trouble though.

Volume was hit by last year's VAT rise, a mild winter, and lower spending on consumer durables. This year, Home 'n' Wear floorspace will be reduced by 10 per cent.

The other principal drain on Tesco's profits was the high cost of financing an ambitious expansion programme, designed to increase overall floor space by a third over the next four years. *Tesco owed its banks £62m* net at the end of its financial year, compared with the £20m cash balances it held 12 months earlier. This has produced a £4.8m swing from interest receipts to interest payments.

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EUROPEAN NEWS

IMF calls on banks to step up lending to Turkey

BY DAVID TONGE

THE improvement of Turkey's external payments position can only be gradual and for several years the country will need large international support, according to the International Monetary Fund. Its latest report on the Turkish economy paints a grim picture of a country struggling with inflation and with debt arrears which have continued to mount and now stand at around $2.6bn.

The burden of servicing Turkey's $16bn debt is liable to increase sharply over the first half of the 1980s, it says. Already the ratio of accrued debt service payments to exports, plus workers' remittances, is 53 per cent. This is about three times the ratio considered healthy by many banks, but the repor stresses "it is important that foreign commercial banks should substantially increase their lending to Turkey in order to ensure that the large payments on medium- and long-term debt to banks do not lead to any net drain on Turkey's scarce resources."

The IMF praises as "tight and determined" the series of measures with which the Turkish Government is seeking to tackle the situation. This is one of the reasons why the IMF staff say they support Turkey being given a three-year standby agreement of SDR 1.25bn ($1.65bn).

The other reasons are "the exceptionally difficult economic situation in which the country finds itself" and "the fact that the resources otherwise available to Turkey are likely to be inadequate, despite the considerable efforts of many countries to extend aid to Turkey and to alleviate its debt service burden in the next few years."

The report, which is marked confidential, has been distributed to the Western Governments who have been meeting this week in Paris within the aegis of the OECD to discuss re-scheduling up to $3bn of Turkey's debt. This is the share of official and Government-guaranteed debt falling due in the next three years. The OECD meeting, which is due to end today, has been complicated by Turkey's failure to make payments on debt which has already been re-scheduled within the framework of the OECD.

Since January, Mr. Turgut Ozal, the Under Secretary to the Turkish Prime Minister responsible for co-ordinating economic affairs, has carried through a series of major measures designed to liberalise the economy.

The Fund's report "welcomed the thrust of the general philosophy behind the entire package of measures . . . and considered that firm adherence to this philosophy would greatly strengthen the Turkish economy." It is particularly in favour of recent government measures to free the interest rates set by local banks.

However, the report warns that the minority Government of Mr. Suleyman Demirel has a long struggle ahead of it. Last year GDP grew by less than 1 per cent. Inflation on an annual average basis reached 65 per cent and overall unemployment was roughly 15 per cent of the domestic labour force.

This year, the reports says, the shortage of oil has ceased to be a major constraint on industry and energy production. Output has increased, reducing the degree to which scarcity in driving up prices. But it says that the Government may still be under-estimating inflationary forces and indicates that there could be considerable pressure from wage increases following the new round of collective bargaining which will shortly affect about 60 per cent of the workers in the state economic enterprises.

It hopes to reduce the net borrowing requirement of the public sector from 8 per cent of GNP in 1979 to just over half this in 1980. However, the balance of payments is expected to remain a problem. The Turkish Government expects imports to reach $7.6bn. This is equivalent to the volume of imports made in 1978, but the IMF says that, even assuming successful debt rescheduling and sizeable new bank lending, Turkey may be unable to finance imports much above $7bn.

Mr. Ozal: series of liberalising measures

Go-ahead expected for $1.65bn credit

THE BOARD of the International Monetary Fund was yesterday expected to approve a SDR 1.25bn ($1.65bn) stand-by credit for Turkey, writes David Tonge. The agreement would be over three years and would be an important boost for Turkey as it seeks to reschedule up to $3bn of its $16bn debt with Western governments in Paris this week.

The amount involved is equivalent to 625 per cent of Turkey's quota at the IMF and, together with the country's present borrowing, represents the largest share of quota that the IMF has ever lent to any nation.

Turkeys drawings on the IMF at the end of May were equivalent to 433.7 per cent of its quota. Allowing for a heavy schedule of repayments to the IMF, Turkey's drawings could reach 870 per cent of quota—almost twice the limits which the IMF used to set.

Third World countries have long been pressing the IMF to increase the amounts it lends. Since a meeting in Jamaica in May, 1976, the Fund has been prepared to increase its lending "in special circumstances." This meant the IMF was prepared to consider lending up to 480 per cent of quota.

Until early this year, Jamaica, with 460 per cent of quota, was in relative terms the main beneficiary. It has since been exceeded by the Philippines and South Korea.

The loan discussed yesterday for Turkey would far exceed all the precedents.

FRANCO-SPANISH RIVALRY

Border blockaded in produce war

BY ROBERT GRAHAM IN MADRID

THE BITTER conflict between farmers in southern France and Spanish exporters over the entry of Spanish produce into France threatened to paralyse all border traffic between the two countries yesterday.

Diplomatic efforts failed to persuade Spanish lorry drivers to remove road-blocks at La Junquera, north of Gerona, and also failed to obtain promises from French farmers to permit the peaceful passage of Spanish goods.

Hundreds of lorries were used to block routes at La Junquera. Earlier the Spanish drivers had permitted traffic leaving for France to pass but had halted all incoming French-licensed vehicles.

French farmers blocked the road on their side of the frontier and threatened to attack all incoming trucks carrying Spanish produce.

On both sides there were threats to extend the blockade to the other main transit point at Irun in the Basque country. French and Spanish riot police have been brought up on their respective sides of the frontier but so far neither force has intervened.

The long-simmering conflict over the transit of Spanish agricultural produce exploded on Monday when French farmers attacked and burned nine Spanish lorries. One was in fact, carrying typewriters. A train carrying cherries, apricots and peaches was reported to have been attacked near Tarascon.

Spanish lorry drivers protested by blocking part of the main road to France at La Junquera. After a meeting on Tuesday night the drivers decided to impose a total blockade.

Spanish officials said that a resolution of the conflict was being made more difficult because of recent declarations from President Valery Giscard d'Estaing of France on Common Market negotiations for new members. His statement that there should be a pause to iron out existing problems within the Community had made him a hostage to the aggressive southern French farming lobby. In Madrid it is felt that it will be difficult for the French President to deal firmly with the farmers because he will need their votes in next year's presidential elections.

Spanish prodcers said yesterday that the French farmers were seeking to retain high prices for their own fruit and vegetables in the face of an exceptionally good year which threatened to push down market prices.

But the Spanish also complain of an extended guerrilla campaign against the transit of their agricultural produce. They say the French authorities have done little to stop it. Senor Julio de Miguel, president of the Spanish citrus exporters, said there had been 150 incidents in the past two years, mainly involving the sabotage of cargoes.

£750m trade deficit for France

By David White in Paris

France's foreign trade performance, which has been declining since the beginning of the year, slipped dramatically last month when the seasonally-adjusted deficit reached an all-time record of FFr 7.23bn (£750m).

This brought the total shortfall for the first five months of the year to FFr 24bn compared with just over FFr 10bn for the whole of 1979. In the first five months of last year, France's trade was still FFr 627m in surplus.

M. Jean-François Deniau, Trade Minister, said that the figures could not be taken at face value because of numerous public holidays and days off during the month, which led to an exceptionally low level of export production. There were only 17 days worked and, counting strikes, activity was only three-quarters of what it was in May last year.

The sharp deterioration of the foreign trade situation has so far not affected the Franc, which remains well placed against other European Community currencies.

French exports in May were 9.4 per cent lower on an adjusted basis at FFr 38.33bn, while the import figure was 2.4 per cent higher than in April at FFr 45.56bn.

Energy costs were once again a major factor in the rising deficit. At FFr 13.7bn for the month, the overall energy bill was FFr 2.2bn more than the average established during the first four months of the year.

Carter's tour underlines NATO concern over southern Europe

BY RUPERT CORNWELL IN ROME

PRESIDENT CARTER today begins a two-day state visit to Italy on the first leg of a week-long trip to southern Europe centred around this weekend's summit in Venice of the West's seven leading industrial powers.

In many respects the purely Italian part of his talks will form a prelude to Venice at which both nations will be participating. However, they are likely to have considerabl esignificance, both in terms of Atlantic relations and of U.S. electoral politics.

That the U.S. President has chosen to combine the Venice meeting with trips to other southern European countries—Spain, Portugal and Yugoslavia—is an indication of the great importance the Mediterranean area is assuming for NATO planners.

The enduring Greco-Turkish fued, moreover, has emphasised Italy's key role in helping secure the southern flank of the alliance, and also the potential (if contested) importance deriving from its strategic proximity to the Middle East. That this aspect will figure largely in the discussions is underlined by the presence in the U.S. delegation not only of Mr. Edmund Muskie, the Secretary of State, but of Mr. Zbigniew Brzezinski, the National Security Adviser.

During his stay in Rome, Mr. Carter will hold talks with President Sandro Pertini and Sig. Francesco Cossiga, the Prime Minister, before having an audience with the Pope. All are events which might favourably influence the Catholic and Italo-American voters at this autumn's U.S. Presidential elections.

Bilateral relations between Italy, even among the most atlanticist of the EEC members, and the U.S. are generally good. However, sensitive issues do exist, including the supply of U.S. engines to power frigates which Italy hopes to sell to Iraq as part of a large military supply deal.

De Gaulle anniversary prompts bitter rows

BY ROBERT MAUTHNER IN PARIS

THE FORTIETH anniversary celebrations of General Charles de Gaulle's famous call from London on June 18, 1940, for French resistance against Nazi Germany were marred yesterday bya bitter row between the Gaullists and the Government.

Gaullist MPs walked out of the National Assembly on Tuesday after M. Pierre Messmer, a former Prime Minister, had protested strongly against what he considered an insult to Gen. de Gaulle's memory made by M. Jacques Dominati, the junior Minister responsible for former French settlers in Algeria.

The Gaullists objected to the presence of the Minister at a ceremony in the southern French naval port of Toulon last weekend to commemorate French victims of the Algerian war of independence at which tribute was paid to the extremist Secret Army Organisation (OAS).

M. Messmer claimed that M. Dominati had participated at the inauguration of a monument to an OAS commando leader who was executed in 1962 for an assassination attempt on Gen. de Gaulle. The Gaullist MPs stormed out of the Assembly after M. Raymond Barre, the Prime Minister, refused to give an immediate answer to M. Messmer. They said they would boycott Parliament until M. Barre explained the Government's position. The Prime Minister later said that he would reply today.

The clash was compounded by another emotional row over the commemoration of Gen. de Gaulle's 1940 resistance call, which led President Giscard d'Estaing to cancel his plans to speak at the National Resistance Memorial at Mont Valerien in the western suburbs of Paris.

The president was due to make a short speech after presenting the Grand Cross of the Legion of Honour to M. Geoffroy de Courcel, Gen. de Gaulle's chief aide after his arrival in London and later France's ambassador to Britain. But the Gaullists and members of the wartime resistance movement said they were shocked that anyone should want to speak at a place of silent homage.

The two incidents are an indication not only of the intense feelings the memory of Gen. de Gaulle and the Algerian war can still stir in France, but of the Gaullists' intention to undermine the President and Government on every possible occasion before next spring's presidential election.

Senior Yugoslav leader taken ill

BY ALEKSANDAR LEBL IN BELGRADE

MR. VLADIMIR BAKARIC, the 68-year-old Croatian leader who was one of President Tito's closest collaborators and who is a leading member of both the collective state and party praesidiums, has been taken ill. He has been admitted to the Ljubliana clinic where President Tito was treated during his final illness.

Apart from his state and party functions, Mr. Bakaric is also president of the Council for the Defence of the Constitutional Order, the top level co-ordinating body for internal and external security matters. He is widely considered one of the most open and liberal-minded members of the inner circle of former partisans who had constant access to President Tito.

He helped purge the party in Croatia after the so-called "nationalist euphoria" in 1971, but was one of those who argued in favour of the greater devolution of powers which has helped to ease national tensions.

Mr. Bakaric has suffered ill-health for several years. But he, like other members of the collective leadership, came under great strain during President Tito's lengthy illness. At the funeral he stooped heavily and appeared physically exhausted.

Meanwhile a Zagreb court has just handed down tough prison sentences ranging from five to 15 years on a group of seven Croat extremists. They were convicted on charges of subversive activities, formation of an armed group and planning to kill leading personalities and commit acts of sabotage. A group of Albanian nationalists were also sentenced to lengthy prison sentences last week in the autonomous province of Kosovo.

The sentences reflect the authorities determination to crack down on any movement which they perceive as potentially dangerous to Yugoslav unity and independence.

Howell urges wider world recognition of OPEC

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE WORLD should recognise the Organisation of Petroleum Exporting Countries as a "positive and stabilising force in world oil markets" and work with it in this spirit, Mr. David Howell, the Energy Secretary, said yesterday.

He told a Financial Times conference at Grosvenor House, entitled the European Offshore in the 1980s, that this attitude to OPEC would mark an important change from the incomprehension and hostility with which the organisation was viewed in the mid-1970s.

"We now look to OPEC to play a part on the world stage as a force for stability.

On the North Sea, Mr. Howell said that the Government was well aware of the importance of maintaining confidence in exploration. He believed the announcement of a seventh round of offshore licensing and other measures designed to encourage exploration, together with steep price increases in crude, had resulted in a new air of confidence on the exploration scene.

Mr. Knut Daehlin, director-general at the Norwegian Ministry of Petroleum and Energy, said that Norway assumed, on the basis of estimates of recoverable reserves south of the 62nd parallel, that a production level of 70m tonnes of oil equivalent a year could be reached in the late 1980s, rising to 90m in the 1990s.

A production level of 70m or 90m tonnes would require investment in field installations of about NKr 6bn to NKr 10bn a year at 1979 prices. By comparison, investment by Norwegian manufacturing industry was NKr 7.8bn in 1978.

On exploration drilling, the large gas find in Block 31/2 by a group led by Norske Shell probably contained reserves several times bigger than the Frigg Field.

Mr. George Williams, director-general of the UK Offshore Operators' Association, said that there was a "very urgent need" at least to double perhaps treble, the exploration rate on the UK Continental Shelf to ensure that Britain maintained self-sufficiency into the next century.

The Government should therefore be more generous in its licensing. It had increased its intended seventh round allocation from 70 to 90 blocks, but had not gone far enough.

The industry was anxious to get a stable tax system. There had been four changes in the rate of Petroleum Revenue Tax in the past 10 months.

Mr. Ray Dafter, Energy Editor of the Financial Times, hoped that Mr. Howell would not only opt for a flexible approach to depletion, but encourage companies to push ahead development projects as quickly as possible.

He said that the "technological challenge" of the North Sea had been underestimated in the past, and that as a result there had been delays and frustrations in virtually every development project.

"We cannot afford the luxury of any depletion policy that is based on 'surprise-free production assumptions.'"

Mr. Lars Thulin, general manager of Den Norske Creditbank, said that Norway produced about five times her domestic consumption of hydrocarbons, and was entering a period when revenue from oil would be so large that some accumulated capital would have to be exported.

Mr. Ted White, director of Petroleum Economics, said that the object of Government policy should be to develop a mechanism to enable Britain to become a much greater enrgy exporter than present policies.

Mr. Ian Clark, an executive member of the board of the British National Oil Corporation, said that BNOC had been aproached by many of the largest names in the oil world with a view to partnerships in the seventh round of licensing. This endorsed BNOC's own assessment of the corporation's strength.

At the Grosvenor House European Offshore Oil conference: (l to r) Mr. A. V. Hare, FT chairman and chief executive; Mr. Knut Daehlin, director-general, Negotiating Department, Norwegian Ministry of Petroleum and Energy; Mr. David Howell, the Energy Secretary.

FINANCIAL TIMES

THE EUROPEAN OFFSHORE CONFERENCE

Answering the question "Where are the best prospects for the future?" Dr. D. R. Whitbread, from Oxford University Department of Geology and Mineralogy, said that Norway north of the 62nd parallel was certainly the greatest and most tempting, virtually untouched exploration area in North-West Europe.

Last year's Department of Energy Brown Book had quoted a range of ultimately recoverable UK oil from 18bn-33bn barrels, of which some 15bn were reasonably assured.

His own feeling was that the higher figure was well within the bounds of possibility, and with luck perhaps as much as 40bn barrels of oil would ultimately be recoverable.

This presupposed that a few giants remained to be discovered.

Dr. G. Rowan, British Petroleum's manager for advanced recovery technology exploration and production, said that for the near and medium term he would expect to see water and gas injection as the main recovery methods for existing reservoirs.

There were certainly smaller reservoirs and depleted reservoirs where some enhanced recovery methods would be used effectively, but for larger reservoirs one should expect to see present methods used for years to come.

Mr. Magne Reed, managing director of DYVI Offshore A/S, said that utilisation rate for all types of rig was now almost 100 per cent. But he saw skilled offshore labour as a problem ahead for mobile drilling rigs. It could become a limiting factor on expansion.

Mr. Bendt Rasmussen, managing owner of Viking Supply Ships, said that the depressed market of the last three or four years had had a crippling effect on many supply vessel companies, though the position was now improving.

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ATTITUDES TO THE EEC

The public mood hardens in West Germany

BY JONATHAN CARR IN BONN

ARE THE West Germans becoming sick and tired of the European Community? It would be easy to draw this conclusion from statements by some senior politicians in the wake of the compromise (and possibly not permanent) settlement of Britain's EEC budget dispute.

One powerful member of the ruling Social Democratic Party (SPD), bewailing the additional sum Bonn would have to pay to Brussels, declared that West Germany was not a cow which could be milked at will. A senior member of the liberal Free Democrats (FDP), junior partner in the Bonn coalition, suggested that the EEC might be losing its attraction for Germans—since most reports about it stressed differences between the member states, budget problems and butter mountains.

Had these comments been made in Britain, they would probably have been regarded by many as self-evident. But in West Germany, one half of a divided country which has long seen European unity as a mission as well as an economically desirable goal, they give cause for pause. So do the results of opinion polls which indicate that few Germans can recall the date of the first election last year to the European Parliament—although at the time, the number of those who voted was relatively high.

West German officials questioned about their attitude to Europe insist that their dedication to the Community ideal is as strong as ever but that there is an urgent need

> Europe is a good campaign theme for October's general election, not just as an ideal as in the past, but as a matter which has a direct impact on people's pockets.

for reform, above all in the farm sector which consumes more than 70 per cent of the EEC budget. The need for change, however, has long been recognised.

A report prepared by West German farm experts on reform of the common agriculture policy (CAP) has been gathering dust for six years now, although some of its suggestions are very similar to part of the FDP's election programme just approved in Freiburg.

Documents drawn up by the Bonn Economics Ministry for years past have drawn attention to the problems of enlargement, not simply for the present members but for the new ones. Yet, until recently, the kind of difficulties to which they drew attention were briefly noted, then dismissed on the grounds that enlargement was a political necessity.

The difference now is that Europe is a good campaign theme for the general election on October 5, not just as an ideal to be dutifully acknowledged by all main parties as in the past, but as a matter which has a direct impact on people's pockets. The Government has made sure of that by turning the EEC compromise on Britain's budget problem into a matter directly affecting the division of powers and financial responsibilities under West Germany's federal system.

The Federal Government has told the *Laender* (the provincial states, a majority of which are ruled by the parties which form the opposition in Bonn)

> Already the phrase "Thatcher pfennigs" is going the rounds, implying that the settlement Britain has reached with the EEC means Germans must pay more for petrol and a bottle of schnapps.

that it cannot pay the bill for its share of the EEC settlement. It therefore demands that the *Laender* give up to Bonn a higher proportion of value added tax receipts than they are doing under present arrangements. If they do not, warns Bonn, then taxes on petrol and spirits will have to be raised from next year.

The *Laender* are furious, claiming that Bonn has lost its room for financial manoeuvre because of spendthrift policies. But if taxes do go up it is likely that not only Bonn and the *Laender* will be blamed.

Already the phrase "Thatcher pfennigs" is going the rounds, implying that the settlement which the British Prime Minister has reached with the EEC will mean Germans having to pay more for a litre of petrol and a bottle of schnapps.

Chancellor Helmut Schmidt has already caught the mood well enough—indeed he may be helping to create the mood. His comment in the Bundestag on Tuesday, that he had made very clear to other EEC leaders that there were limits to the amounts which Bonn could pay was particularly enthusiastically applauded.

Likewise, there has been comments about his recent remark that he planned to work for change in EEC finances with the same stubbornness which Mrs. Thatcher showed over the British problem. A few years ago a West German Chancellor might have suggested that, but he could hardly have carried it out, for reasons of history among other things. Now it seems more likely than not that Herr Schmidt will be stubborn—and the public mood will be with him.

The West German suggestion that a ceiling be imposed on the net sums which member states can receive from the EEC as well as on net contributions made to it, fits well into this context. The West Germans are not insisting on it at present, simply raising it as a course to be followed if other possible solutions fail.

Community bid to curb waste

Financial Times Reporter

RING-TOP cans and non-returnable bottles could be banned throughout the EEC if a new European Commission directive is passed. The directive, which was discussed at a London conference on waste management organised by the Commission, would also force distributors to accept empty, returnable drink containers.

Individual countries of the EEC appear to agree on the principal aims of the draft directive. But they disagree on the best way to implement the legislation and on its possible consequences for inter-Community trade and industry in general.

M. Michel Carpentier, director general of the EEC's Environment and Consumer Protection Department, told the conference that the draft has a good chance of being approved next year by the Council of Ministers. He stressed, however, that many changes and modifications will probably be made to the draft before it is submitted to the Council by October at the earliest.

The Commission is also trying to introduce rules on the recovery and re-use of waste paper and board. This initiative takes the form of a recommendation—a non-compulsory instrument of the Commission—which is already being discussed by the Council.

Luxembourg, which holds the presidency of the Council during the second half of this year, is expected to push for acceptance of this document in December.

Shortages hit Polish incomes

By Christopher Bobinski in Warsaw

POLISH WORKERS' incomes are being hit by production stoppages caused by shortages of raw materials and components. This has emerged as the main topic of discussion at official trade union meetings held throughout industry this year, according to the economic weekly Zycie Gospodarcze.

The shortages are largely the result of import restrictions, which are intended to bring Poland's foreign trade into surplus this year and which are caused by the problems of servicing the country's $18bn hard currency debt.

When shortages halt production in factories workers receive only their basic wage. They lose out on piece work rates and productivity bonuses which make up the major part of their incomes. Furthermore, the fact that workers are being paid while machines stand idle means that the chronic imbalance between the growth in production and wages is worsening.

Over the first five months of this year the value of industrial production rose by 7.8 per cent compared with a year earlier; wages over the same period increased by 13.3 per cent. The union meetings have also criticised poor organisation and the waste of raw materials in industry as contributing to the shortages.

Labour discipline is being affected, too, union speakers say. Last year the average worker spent 214 hours away from work, apart from holidays, either on sick leave or simply absent. In the first quarter of this year sick leave increased 5 per cent and absenteeism 6.6 per cent on the same period in 1979.

Why Cape Town protests turned to violence

BY QUENTIN PEEL IN JOHANNESBURG

THE EXPLOSION of violence in the coloured (mixed race) townships of Cape Town, which claimed at least 36 dead on Tuesday night, is the culmination of weeks of growing tension in what is at any time a violent and frustrated community.

Yet until the outbreak of rioting, looting and arson, which was met by volleys of police fire, a campaign of concerted community action against poor schools, higher prices and bad wages, had been remarkably well disciplined. The campaign underlined the profound alienation of the coloured community in white-ruled South Africa, and the growing politicisation of a traditionally subservient community.

A clear picture of Tuesday night's carnage is emerging slowly, partly because journalists were banned from the sprawling Cape Flats area by police. There is, however, little doubt that what had up till then been a political protest was used by looters and criminals to precipitate a confrontation with the police.

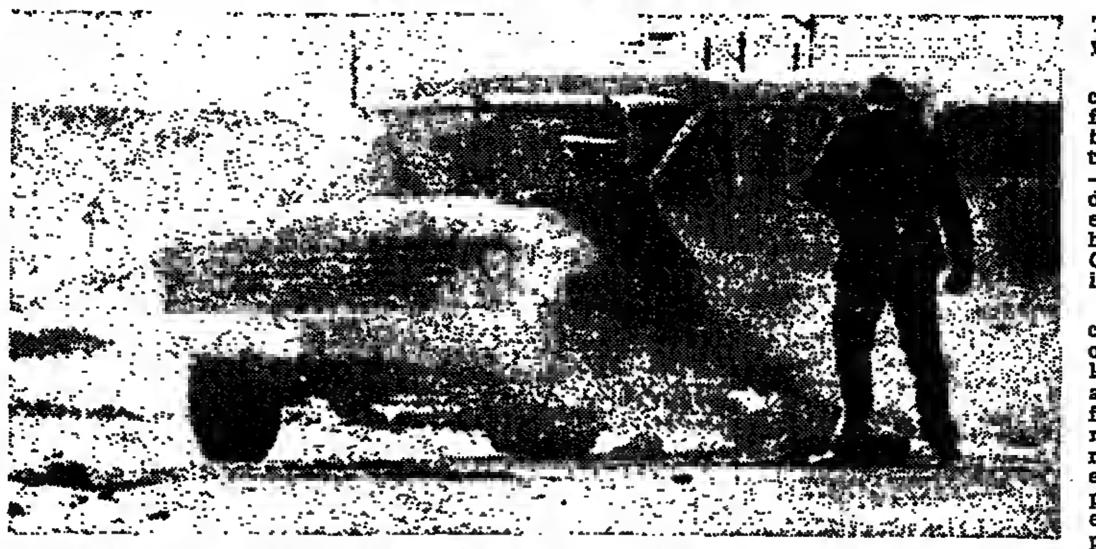
It is still impossible to say how much of the looting was deliberate, how much was a gesture of the anger of the coloured community, and how much was a response to the police action. There is no doubt that some innocent bystanders were shot, including one two-year-old child.

But the background to the disturbances lies in the school boycott called by pupils in protest at their poor facilities, classrooms unrepaired since the last riots of 1976, and lack of textbooks. The action started in April in a handful of secondary schools and spread rapidly to include more than 100,000 children, university students and teacher trainees. Co-ordinated by a committee of 81 representatives from all the institutions involved, the protest was generally well planned and well organised.

The pupils rapidly won support from teachers and parents for their campaign, which even the Government admitted was justified, and headmasters refused to expel their pupils for refusing to attend class. The townships were flooded with pamphlets calling on students, parents, and workers to unite. "Every student action to be successful, has to be linked up with the struggle of the rest of the oppressed people," leaflets said.

Probably the single most important factor in unifying the community was a huge increase in bus fares, with rises of up to 100 per cent, which precipitated a bus boycott, not only in the coloured townships, but also in the even more impoverished African locations. At the same time, the new-found militancy also emerged in support of several hundred mainly African workers striking for union recognition in the meat packing industry.

Against that background, calls for a work stoppage to commemorate the fourth anniversary of the outbreak of the Soweto riots on June 16 won overwhelming support, with perhaps three-quarters of Cape Town's black and coloured workforce staying at home.



A South African policeman crouches with a drawn gun at the side of his vehicle while a colleague clears burning rubbish from the roadway in a Cape Town suburb.

The volatility of the coloured community is a result of several factors. The Cape townships boast a crime rate equal to virtually any slum area in the world—the Groote Schuur hospital deals with more stab wounds every night than any other hospital except one in New Orleans, it is said—and a soaring unemployment rate.

At the same time, the coloured community has been offered some of the fruits of loyalty to a white society, such as better housing and better facilities than blacks. But the rising living standard has also raised expectations, while the exclusion of coloureds from any part of the political process—even the half-hearted coloured people's representative council was abolished earlier this year—has meant that they have no channel for airing their grievances.

The difference between the latest upsurge of unrest in the Cape, and the 1976 riots, is that this has happened first in the coloured, not the black community. It is not clear whether there will be sympathy actions in black townships. But some observers believe that the political thinking behind the action is very sophisticated. "These students are arguing in terms of the class struggle, not the vague thoughts of black consciousness," one businessman said. "That could be an ominous development."

Hong Kong trade to U.S. still rising

HONG KONG'S latest trade figures show that the U.S. remains the colony's most important export market, David Dodwell reports from Hong Kong. Exports there for the first four months of 1980 rose to HK$6.15bn (£532m), 34 per cent up on the same period of 1979.

Even accounting for inflation, estimated at 18 per cent for both imports and exports, real growth in exports to the U.S. was at least 16 per cent. Hong Kong officials nevertheless expect the U.S. recession to start affecting trade in the coming months.

Exports to Japan slipped in the period under review, by 10 per cent in value terms to HK$680m. Exports to Britain were also at a standstill, growing by just 18 per cent in value terms to HK$1.95bn. Exports to China leapt by more than 40 per cent to HK$429m.

Malaysian surplus

Higher petroleum prices pushed Malaysia's trade surplus to 2.95bn ringgits (£585m) in 1979 from 1.32bn ringgits in 1978, Tengku Razaleigh Hamzah, Finance Minister, told Parliament yesterday, AP-DJ reports from Kuala Lumpur.

He said the price of oil was expected to rise further this year and petroleum exports could overtake rubber as the main revenue earner for Malaysia this year.

OVERSEAS NEWS

David Lennon writes from Tel Aviv on the Israeli Prime Minister and his uncompromising vision of history

Begin's battle with the present to keep the past intact

PROGRESS TOWARDS resolving the key issue of Palestinian autonomy appears to depend more than anything else on the ideology, personality and health of one Israeli, Mr. Menahem Begin, the Prime Minister, and on his ability to keep his shaky coalition in power till the end of 1981.

Egypt halted the talks over a month ago because a year of negotiations on the future of the Israeli-occupied West Bank and Gaza Strip had got next to nowhere. Both Cairo and Washington privately hlame the stalemate on the uncompromising Israeli position laid down by Mr. Begin.

It is common to refer to the current Israeli Government as extremist and intransigent and to Mr. Begin as a doctrinaire Right-winger, a petty legalist too short-sighted to see the long-term interests of Israel.

Whatever the truth of these charges, they scarcely explain why the Israeli Government is still pursuing a policy which is alienating most of Israel's supporters in the West, threatening the peace moves started by President Anwar Sadat of Egypt and splitting Israeli society.

All his life Mr. Begin bas believed in the inalienable historical right of the Jews to the "Land of Israel," to build there a state where the Jews will be freed from centuries of persecution which culminated in the Nazi holocaust.

Even before the Nazis rose to power in Europe, Mr. Begin was active in right-wing Zionist politics in his native Poland, the cradle of so many of the founders and early leaders of the Jewsh community in Palestine and later Israel. After arriving in Palestine in the early 1940s he became commander of the Irgun Zvai Leumi, the Jewish underground army notorious for its spectacular acts of terrorism against the British authorities.

His personality has always heen a blend of contradictions. A political romantic yet also a realist, intensely loyal to friends and contemptunua of opponents, an often spellbinding public orator who can he excrutiatingly pompous in private conversation, modest in his private life but often arrogant in his public positions. He has evoked something close to worahip from his followers while arousing intense dislike among his opponents.

The sense that Israel had to face the horror of the Holocaust defenceless and alone is one of Mr. Begin's most forceful emotions, as it is of so many Israelis. For the Prime Minister and others, the memory also appears to justify the harsh suppression of the Palestinian resistance in the occupied territories and the merciless ralds across Israel's borders in reprisal for Palestinian attacks.

But when Mr. Begin compares the Palestine Liberation Organisation with the Nazis and describes European recognition of Palestinian rights as a sell-out to Arab oil worthy of Munich, many Israeli's feel he trivialises the Holocaust and weakens Israel's credibility when it sneaks of genuine threats to its security.

Because Mr. Begin wants his people to live in peace and security, he was willing to trade the strategic depth, the modern air-bases and the oil fields of Sinai for a peace agreement with Egypt. He was also ready to abandon Jewish settlements in the desert penisula. This was "a painful decision" which will remain with Mr. Begin for the rest of his life.

> **"Our God given country is a unity. An attempt to dissect it is not only a crime but a blasphemy and an abortion."**
>
> *Menahem Begin. May 1948, following the announcement of Israel's Provisional Government.*

"Look at what he gave up," one of his close aides says. "Is this man bawkish, intransigent?"

The reason, of course, is that Sinai is not the Land of Israel, as the aide explains. "We were in Sinai for military reasons, to prevent our major adversary from threatening Israel. If you can get peace with that neighbour, you do not need that barrier."

But the West Bank is Judea and Samaria. By constant repetition Mr. Begin bas made the Biblical names for the territory part of the Israeli lexicon. "Judea and Samaria are not foreign territory. They are part of the Land of Israel. Since it is our country, we helieve we bave the right to live there."

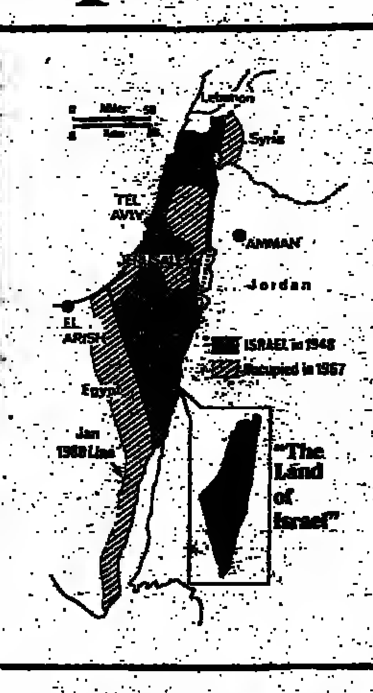
This is the kernel of Mr. Begin's ideology: the restoration of Jewish sovereignty over all the Land of Israel. Almost 50 years ago, Mr. Begin opposed tha creation of the Emirate of Transjordan, now the Hashemite Kingdom of Jordan, from the East Bank on the grounds it was Land of Israel. His Herut Party has now tacitly dropped the claim, at least for the present, but will not voluntarily give up any part of the western Land of Israel to anybody.

Reinforcing the historical claim is tha understandahle fear that to give up military control of the West Bank is to risk bostile forces within a few milea of Israel's densely populated coastal plain. Mr. Begin rejects a Palestinian state because he believes it would be "a Soviet base and a mortal threat to Israel."

Because of this determination to keep the West Bank under Jewisb control, Mr. Begin proposed limited autonomy for the Palestinian inhabitants wbile at the same time pushing ahead with a programme for aettling Jews throughout the area. This establishes a Jewish presence and will make it extremely difficult for successive governments to make a territorial compromise.

Political circumstance may have prevented him from annexing the territory, as he would have wished, hut as his aide puts it, "We bave not given up our claim to Judea and Samaria. Israel intends to put forward this claim when negotiations begin on the final statuts of the territories."

Many people abroad, and not a few Israelis, find the claim to the land on sucb distant historical ground scarcely tenable. These Israelis believe and many foreigners would accept that the boundaries created after the 1948 fighting should be recognised as the borders of Israel.



MR. MENAHEM BEGIN'S Herut movement regards all the territory of Palestine originally included in the British mandate after World War I as the Land of Israel, or Eretz Israel, promised to the Jews by God. Only in recent years has the Herut dropped tacitly its claim to "the hills of Moab" or the East Bank of the Jordan, now the Hashemite kingdom. But it will not agree to any further partition of Eretz Israel now defined to include the occupied West Bank and the Gaza Strip.

Not Mr. Begin or his followers. The armistice lines of 1949 left the Land of Israel artificially divided, they say. The borders left after the 1967 fighting are the real borders and those Arabs caught inside the new boundaries must accept this and agree to live in peace under Israeli rule.

Mr. Begin is adamant on this point, and was prepared to watch two of his most popular and able ministers, Mr. Moshe Dayan and Mr. Ezer Weizman, quit his cabinet in opposition to bis rigid presentation of this line.

Because he fears that the Labour Party, if returned to power, would give up parts of the West Bank and agree to a repartition of the land, Mr. Begin has put up with a bitterly divided cabinet.

Minister Erlich says Minister Modai should see a psychiatrist; Minister Sharon threatens to strip Minister Yadin naked on the cabinet table; Minister Weizman accusea Premier Begin of frittering away the chance for peace and calls for early elections.

Mr. Begin sits silently through it all. From time to time, he appeals to his ministers to cease their public bickering and to refrain from using unparliamentary language. To no avail.

This gives the impression that Mr. Begin is a weak commander. Some put this down to ill health; in the past three years, Mr. Begin has suffered both a serious heart attack and a mild stroke. But his aides insist that be is fully recovered from his illness and that he continues to rise at 5 a.m. and to work an 18-hour day, as he has done since arriving in Palestine 38 years ago.

In fact, Mr. Begin takes a direct interest in only three areas of the Government: foreign affairs, defence and the social welfare aspects of the economy. Otherwise, he gives his ministers a free hand, entering the picture only if they are unable to resolve their disagreements and require him to arbitrate.

But when it comes to the peace negotiations, Mr. Begin is in direct and total control and his eye is fixed firmly on the destiny of his people and the history books. The final decisions are his, and he will force them through the Cabinet and the Knesset using all the political skills which kept him as head of his party through eight election defeats in a row until Herut finally came to power in 1977.

Criticism from Israel or abroad does not really disturb him. Israelis who want a territorial compromise are "misguided minimalists" whom hindsight will teach the correctness of his path. Foreign critics are at best slaves of Arab oil, at worst anti-Semites.

If the U.S. wants to see a change in Mr. Begin's policy, it may have to emulate President Eisenhower who, in 1956, forced Israel to withdraw from Sinai and Gaza by threatening to withhold economic and political support. Otherwise, it will have to settle for more protracted negotiations in which Israel will go to the brink each time before making a minor, insignificant concession.

If prepared to play for time until new elections inevitably bring the Labour Party back to power, then the U.S. had better hope that the new government is strong enough to impose its will on the territorial hard-liners whose strength bas grown enormously under Mr. Begin.

Indian budget leaves unanswered questions

BY OUR FOREIGN STAFF

THE FIRST full budget of Mrs. Indira Gandhi's new administration was presented to Parliament yesterday but failed to give the long awaited clues to the direction of economic policy.

Mr. R. Venkataram, the Finance Minister annonnced some new incentives for industrial investment, reflecting the new Government's increased support for the private sector, and relief for income tax payers in the higher bands.

But with only a small increase in taxation and no cuts in subsidies and welfare payments which have been swelling public expenditure, it was not clear how Mrs. Gandhi's administration proposed to finance its planned capital programme for removing bottlenecks in the power, rail and coal sectors.

Annual development expenditure has been raised by 16.6 per cent as against last year, which with inflation running at 20 per cent means a cut in real terms.

Particularly surprising was that the Government has ducked its expected decisions to raise oil prices both as a measure of conservation and to increase revenues.

In fact, comment in New Delhi yesterday concentrated on the popular aspects of the budget—the avoldance of any significant increase in taxation and the relief granted the corporate sector. But the failure to find new sources of revenue or to prune expenditure has left a large and potentially inflationary bndget deficit of 14bn Rnpees (£763m).

Concessions in indirect taxation reversed the levies on industry imposed by the Janata Finance Minister, Mr. Charan Singb, last year.

Additionally a tax holiday and higher depreciation bas been allowed to stimulate capital investment. There are incentives for higher savings.

The popular budget imposes an additional taxation effort of only Rs 2.8bn.

Among announcements made by the Minister was the initiation of a national rural employment programme and the establishment of an export-import bank to improve the country's deteriorating balance of payments.

Syria and PLO urge tougher Arab line

BY ISHAN HIJAZI IN BEIRUT

SYRIA AND the Palestine Liberation Organisation are hoping to replace the present Arah strategy in the Middle East with a tougher policy towards Israel, Egypt and the U.S.

A statement issued after a conference in Damascus on Tuesday between President Hafez al Assad and Mr. Yassir Arafat, chairman of the PLO, said they would submit a joint working paper on the matter to the next Arah summit conference. Arah Foreign Ministers are to meet in Amman next month to prepare for the summit, which is due to be held in the Jordanian capital in November.

At Tuesday's meeting, Mr. Arafat was accompanied by Palestinian guerrilla leaders, including Dr. George Habash of the Popular Front for the Liberation of Palestine and Nayef Hawatmeh of the Democratic Front for the Liberation of Palestine.

Syria and the Palestinians agreed that there was a need to introduce basic changes in the prevailing Arab strategy. The statement criticised the declaration on the Middle East issued by European Community leaders after their meeting in Venice last week and said that it provided a cosmetic cover for the U.S.-sponsored Camp David agreements between Egypt and Israel.

A few days ago, Mr. Abdel Halim Khaddam, Syria's Foreign Minister, told Parliament in Damascus that the Government would be introducing basic changes in its Middle East policy. He said the shift would be approved soon at a congress of the ruling Ba'ath Party.

Mr. Khaddam hinted that Syria might abandon the principle of peaceful settlement of the Arab-Israeli conflict altogether. "Snch a settlement is not possible under prevailing conditions," he said.

In a lengthy interview published in the Beirut daily newspaper As Safir this week, Mr. Khaddam added that his country was determined to establish a military and strategic balance with Israel. It would define its future relations with Arab Governments on the basis of governments on the basis of this objective.

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AMERICAN NEWS

WORLD TRADE NEWS

Tension clears between U.S. and Jordan

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER and King Hussein yesterday wound up their first direct talks for three years with an agreement to disagree on the Palestinian autonomy negotiations, but also an apparent lifting of the tension that has marked U.S.-Jordanian relations since the 1978 Camp David accords.

Mr. Carter did not specifically press the King to abandon his refusal to join the autonomy negotiations with Egypt and Israel. Instead, White House officials described the aim of the two-day meetings to get King Hussein to moderate his criticism of the Camp David accords and to encourage West Bank Arabs to participate soon in the bid to give them self-government.

The U.S. President said the talks with the Hashemite monarch had gone "much better" than he had expected, and that Jordan could not avoid playing a central role in Middle East peacemaking. The King, accompanied by his American-born wife, told reporters that with Mr. Carter he had "only differences in the approach to solving the problems," not on the goal of a comprehensive settlement.

The King also brushed aside criticism this week from President Anwar Sadat of Egypt, who claimed that King Hussein tried to jump on the Camp David bandwagon in late 1978 "but I did not invite him to participate" because the move was "opportunism on his part." King Hussein said he did not take such charges personally.

U.S. Administration strategy has been to bolster its peace initiative by large amounts of foreign aid to Egypt and Israel, which together are due to get nearly 70 per cent of a $4.8bn ($2bn) foreign aid Bill for the fiscal year starting October 1, just passed by the Senate.

An attempt by Senator Adlai Stevenson failed to pare the $2.1bn aid provision for Israel next year by $150m, which the Senator estimated was the rough amount which the Begin Government will spend on new settlements in the West Bank. The U.S. has repeatedly condemned the settlement policy, but the Stevenson amendment was heavily voted down by the pro-Israel lobby in the Senate.

The Senate aid Bill now has to be reconciled with a more

King Hussein . . . unconcerned

generous, $5.2bn version already passed by the House of Representatives.

Pro-Israel sentiment on Capitol Hill in this American election year has also surfaced in strong criticism of Saudi Arabia's recent request that the U.S. put extra bomb racks and fuel tanks on F-15 fighters which Washington is shortly to deliver to the Riyadh Government.

This would give the F-15s extra range and a ground attack capacity. Leading Senators, like Senator Frank Church, chairman of the Senate Foreign Relations Committee, have claimed that if the Carter Administration acceded to the Saudi request, it would breach an Administration undertaking of 1978. That year Congress approved the controversial sale of 60 F-15s to Saudi Arabia, provided the aircraft had a defensive air role and could not threaten Israel.

Exxon announces strategy for $500bn synthetic fuels plan

BY DAVID LASCELLES IN NEW YORK

EXXON, the world's largest oil company, yesterday laid out a strategy for developing synthetic fuels in the U.S. involving a $500bn investment over 30 years by the entire U.S. oil industry. Exxon believes that this could result in production of 15m barrels a day, nearly as much as the country consumes today.

At a news conference in Houston, Exxon also said that about half of this output could come from oil shale, notably the huge oil shale formation underlying the states of Colorado, Utah and Wyoming.

Exxon is now deeply committed to synthetic fuels. It first announced its intention to move into oil shale in a big way last November when Mr. Clifton Garvin, its chairman, said $3.5bn had been earmarked for the programme. Since then, Exxon has spent $400m buying a stake in a large Colorado shale deposit known as the colony project.

Exxon is going ahead even though the politics of oil shale are still far from clear. The company says shale now appears to be "economically competitive with imported oil."

There is intense local opposition to development of the Green River formation because of its likely impact on a large area of unspoilt countryside and farmland, and because oil shale processing requires huge volumes of water in an area which has below average rainfall.

Although the fast-rising price of oil has made oil shale more of an economic proposition, it is still not clear whether the fuel can be produced at a profit, particularly if environmental considerations force the producing companies to extract it by complicated and expensive means.

Against this, the present Administration's energy policy has resulted in the establishment of a $20bn Synthetic Fuels Corporation charged with the task of promoting production of energy sources like oil shale.

Oil shale is a form of rock saturated with hardened oil deposits. It is normally extracted by heating the rock and melting out the oil which must then be processed to bring it to the consistency of free-flowing crude.

Provided the economics work out, there is little doubt that the U.S. could produce large amounts of shale oil. Several oil companies like Occidental, Gulf and Amoco have been working on the technology with Government subsidies for years. But actual output is still negligible.

Venezuela to raise price of residual fuel oil

BY KIM FUAD IN CARACAS

VENEZUELA has increased the price of its residual fuel oil exports by between 50 cents and $1.20 per barrel, state oil industry officials said yesterday.

"We want to pre-empt stockpiling at low cost in the United States," the officials said, explaining that spot prices for high sulphur residual had risen by $1 a barrel since Venezuela last increased prices on May 19.

The new prices call for an across-the-board rise of 50 cents per barrel for 1.5 to 2 per cent sulphur and $1.20 for 2.2 per cent and upwards. This raises the price of 2.8 per cent residual fuel oil to $22 per barrel.

The industry officials said that there has been a continued demand for residual fuel oil in the U.S. for building stocks, following a poor first quarter in which Venezuela was forced to cut its prices.

Venezuela wanted to share in the rising value of these stocks, the officials said, explaining that the price move was based on anticipated future increases in the prices of residual fuel oil. Additionally, due to low refinery runs, Venezuelan stocks of fuel oil are rock bottom and the industry is now increasing processing to build up stocks for seasonal increases in demand in the second half of the year.

Venezuela is also expected to increase crude oil prices this week, following the new guidelines established by the Organisation of Petroleum Exporting Countries (OPEC) at the beginning of June in Algiers.

The South American producer is expected to bring its light crudes into line with the new $32 a barrel level for the OPEC marker, although there is little leeway at this point for such rises. There is, however, the possibility that Venezuela may apply "premiums" to its lighter crudes.

China to build DC-9 doors for Douglas

By Ian Hargreaves in New York

McDONNELL DOUGLAS, the U.S. aeroplane manufacturer, has signed a contract for China to build landing gear doors for the American company's Super 80 DC-9 jets.

Although the contract, worth around $2m for the 200 unit order, is insignificant set against total U.S. aerospace exports this year of around $12bn, the move could herald a breakthrough for McDonnell Douglas into a market where it has not so far had much success, compared with Boeing, which has sold extensively in China.

It is important for McDonnell to improve this state of affairs because of weakening orders for civil airlines in the U.S. and because a recent announcement by the U.S. Government authorising the sale of non-lethal military hardware to China opens up the gate for a wide variety of possible deals in the aerospace field. More than half of McDonnell Douglas's sales come from the military field.

McDonnell Douglas has also continued to suffer in export markets from the shadow of last year's crash of a DC-10 near Chicago.

The company clearly hopes that by giving the China Aircraft Company in Shanghai a part in supplying equipment of the DC-9 medium-range jet, it will win access to the growing Chinese market for aircraft of that capacity.

● The Canadian state corporation for crediting of exports has approved a C$19.6m credit to Yugoslavia for the purchase of four fire-fighting aeroplanes. The agreement says the four aircraft, the Canadair-built water bomber will be delivered to Yugoslavia during 1982, AP-DJ reports from Belgrade. Yugoslavia has been having problems fighting fire along its coastal area during the summer, especially inaccessible wooded regions, and previous negotiations for purchasing similar planes failed for lack of adequate funding.

South Africa places new rail order

By Bernard Simon in Johannesburg

GENERAL MOTORS South Africa has won a R54.5m (£30m) order for the delivery of 100 diesel-electric branch line locomotives to South African Railways. A GM spokesman said that the company expects to be awarded a second contract worth another R50m.

The GM order is part of a large expansion and electrification programme currently being undertaken by the railways. Locomotive orders worth over R120m have already been placed with GEC, Siemens and Nissho-Iwai, and SAR has called for tenders for a further 150 electric locomotives and 503 suburban carriages.

More offshore leases to be sold

By Our New York Staff

THE U.S. GOVERNMENT has finalised plans to step up sales of federal offshore oil leases as part of its policy to stimulate domestic oil exploration and production. The Interior Department will hold 36 lease sales between now and 1985, an increase of six on the previous figure.

The programme marks the Government's response to pressure from the oil industry to allow oil explorers greater access to millions of acres of potentially oil-rich continental shelf around the U.S. Much of it lies off Alaska, though oilmen are also keen to look more closely at the Atlantic and Pacific coastlines.

The Government is also trying to improve drillers' access to federally-owned land, mostly in the west and Alaska. Government policy generally has run into opposition from environmentalists and other groups concerned about natural life, Indians and the marine world.

Soviets to make Italy's 'Jesus' jeans

BY PAUL BETTS IN ROME

A TURIN-BASED company, which owns a popular Italian blue jeans manufacturing concern called "Jesus Jeans," has won the first ever contract to manufacture blue jeans and jackets in the Soviet Union.

In a deal estimated to be worth more than L80bn (£43m), Maglificio Calzificio Torinese is to supply the Soviet Union with a jeans manufacturing plant, know-how and licence to produce 7.12m jeans and jackets over the next five years.

The Italian company also indicated it was negotiating another venture with the Soviet authorities involving the production of jeans cloth and clothes for the Soviet market.

The deal is significant in that it reflects an important change of attitude by the Soviet authorities towards a product which until recently was regarded as a symbol of the Western way of life like Coca Cola and jazz.

Up to now, blue jeans were scarce in the Soviet Union, and according to the Turin company could fetch as much as $70-$100 a pair, or the equivalent of an average monthly salary of a Russian worker.

The Italian company, which is expected to see its net sales increase from L36bn last year to L55bn this year, has become in recent years one of the most aggressive concerns on the world jeans market.

In 1975, it started selling its Jesus Jeans products on the U.S. market, challenging the big U.S. manufacturers. It has also sold its know-how in Greece, Spain and South America and is at present negotiating contracts in South Africa and Canada.

The company said the mediator for its Soviet venture was the Nova Sider concern, which initiated the preliminary contacts between Fiat, the giant Turin-based car group, and Moscow for the deal which led to the construction of the Togliattigrad car complex.

Meanwhile, Sig. Enrico Manca, the Italian Foreign Trade Minister, completed yesterday a visit to Poland. After agreeing to advance Poland $184m export credit line, Italy is now expected to extend to the East European country a further $180m credit line later this year.

At the same time, Sig. Manca said Italy hoped to negotiate substantial supplies of coal from Poland. However, the new Italian credit lines to Warsaw are principally designed to support the sale of Italian steel, textiles and chemical products as well as machinery, industrial plants and machine tools to Poland.

$300m iron pelletising plant for Bahrain

BY MARY FRINGS IN BAHRAIN

THE ARAB Iron and Steel Company (AISC), formed by Government and private interests in Kuwait, Iraq and Jordan, is to build a $300m (£129m) iron pelletising plant in Bahrain.

Kobe Steel of Japan and Lurgi Chemie und Huttenovertechnik of West Germany, are due to submit bids for a turnkey contract by September 1. Four locally-based contractors are competing for the site preparation contract on which work should start next month. This involves the reclamation of 800,000 square metres of land from the sea, north-east of the Asry drydock, and a 3,200-metre link to the Asry causeway.

Shareholders already committed to the $150m company include Kuwait Foreign Trading, Contracting and Investment (KFTCIC), Kuwait Metal Pipe Industries, the Government of Iraq, Arab Industrial Investment, based in Baghdad, and Arab Mining, based in Amman. A $5.3m stake is being reserved for private Bahraini investors, and further shares may be offered to groups in other Gulf States. Saudi Basic Industries (SABIC) sent a representative to a meeting of potential shareholders in Bahrain this week, but has not yet confirmed its participation.

A feasibility study prepared by Kuwait Engineering Operation and Management (DENOMAC) forecast a 12 per cent return on investment after finance charges once the plant reaches full operating capacity of 4m tonnes a year. Target date for start-up is the end of 1983.

Steel demand in the region is put at 12m tonnes by 1990, of which 5m to 6m tonnes could be produced in Arab Gulf States, based on current development plans.

Iron ore will be imported in bulk carriers from India, Brazil, Australia, Mauritania or Liberia. It will be in the form of "blue dust"—high in metal content and low in silica and alumina. It will be re-exported as iron pellets to steel plants around the Gulf.

Bahrain is selected for the regional project because of its central position, and the encouraging attitude of its Government, which will supply the plant with about 26m cubic feet a day of fuel gas.

Talks called on computer bids

BY OUR BAHRAIN CORRESPONDENT

SIX international computer companies, which are to bid for the provision of a central reservations system for the Arab Air Carriers' Organisation (AACO) in Bahrain, have been called to a tenderers' briefing in Bahrain this weekend.

The six, chosen from 23 contenders for the system, which will cost an initial $30m (£13m), are IBM Sita of France, Plessey, Amdahl, Sperry, Univac and Arab Air Services, which is headed by Mr. Najeeb Halaby, former chief executive of Pan American Airlines.

Ten Arab airlines (Gulf Air, Alia, Mea, Kuwait Airways, Sudan Air, Saudia, Libyan Arab Airline, Syrian Airways, Al Yemda and Yemen Airways) are participating in the project to be known as Apars-Arab Passenger Airline Reservations System.

Land has been donated by the Bahrain Government near the airport, and two Bahrain stock companies are being incorporated by Amiri decree. The holding company will be known as Apars, and the operator as Apars Management.

Tenders for the turnkey contract will be opened by the end of July, and the system is due to go into operation three years from the date of signing.

Thorn TV technology for China

BY JASON CRISP

THORN Consumer Electronics has sold its colour television technology to China and Hong Kong in the face of competition from several Japanese television manufacturers.

It has signed a four-year agreement with the Hong Kong Television Manufacturers Promotors who will assemble Thorn's "TX9" chassis, which is suitable for tubes between 14 and 22 inches, in Hong Kong and at a new factory being built in the free zone of China.

The new factory in China is expected to have an initial production capacity to make 250,000 sets a year. Initially, the two factories will receive all its components, in kit form, from Thorn's Gosport factory, although there is provision in the agreement for Promotors to buy its components locally and just pay Thorn the licence.

Thorn Consumer Electronic's toughest competition is believed to have come from Nippon Electric who were also shortlisted. It has also recently sold £3m of orders of the same technology to Italy and Scandinavia.

● Crane Packing, Britain's leading makers of mechanical seals, has entered into an agreement with the China National Technical Import Corporation in Peking for the manufacture under licence in China of Crane's range of seals.

U.S. company invests £5m in Ireland

BAUSCH AND LOMB, the New York-based manufacturer of vision care products and scientific instruments, has announced that it has agreed plans with Ireland's Industrial Development Authority (IDA) to set up a factory in Waterford.

The £5m factory will manufacture soft contact lenses. Shipments are expected to begin early in 1981. The plant will get under way with a work force of 50, increasing to 300 in a short time. The company is now taking on management personnel, and recruitment of technical and production staff will start soon.

● Euroco International, the British computer software company, is to open a development centre in Ireland to take advantage of the Republic's incentives for new service industries. It is establishing a £500,000 base in Dundalk, north of Dublin, to develop and export its software packages. The new company will employ 55 computer professionals by 1983.

Israel to import 9m tonnes of coal a year

BY L. DANIEL IN TEL AVIV

ISRAEL expects to be importing more than 9m tonnes of coal a year by the end of the decade. This was stated yesterday by Mr. H. Landau, the Minister for Transport, at a ceremony marking the start of construction of an offshore coal unloading pier on Israel's Mediterranean coast.

The installation is said to be the only one of its kind in the world with a huge overhead conveyor belt to take coal from the offshore pier to the storage depots of Israel's first Dual-Fuel (oil or coal) power station.

Situated half way between Tel Aviv and Haifa, the station will require 3m tonnes of coal annually, starting in 1982.

A second, similar, power station is to start operating further south along the coast in 1988 and a third is on the drawing board. It is expected that many industrial plants will turn to coal as an alternative fuel. Contracts for the initial quantities needed have already been signed with South Africa and Australia.

Ingersoll-Rand Hungary deal

By Lorne Barling

INGERSOLL-RAND has won two contracts worth £8.7m to supply machinery to Hungary.

The first involves the supply of nine heavy-duty gas turbine compressor units to Chemokomplex, the state trading company, which will be installed on the Hungary Oil and Gas Trust's natural gas pipeline system.

An agreement was also signed for Ganz Mavag Works of Budapest to build and export natural gas engines for packaging with Ingersoll-Rand compressors and other equipment for the international oil and gas industry.

Manchester centre recruits new members

BY RHYS DAVID

BRITAIN'S second world trade centre in Manchester has now recruited its first members towards a target of 1,000 by 1982.

The centre, which is one of more than 100 in 40 countries providing a range of services for international businessmen, has moved into a refurbished suite of offices in Ship Canal House in the centre of Manchester but is hoping to develop its own purpose-built facilities at a later stage.

Britain's other world trade centre has been in operation since 1972 on the site of the former St. Katharine's dock near the Tower of London.

The initiative for the Manchester centre came from local business leaders and from Manchester City Council which is paying the initial setting-up costs including the salary of the director Mr. Peter Sweet. It is hoped that the centre can eventually become self-supporting through subscriptions, currently set at £100 per year. The centre, which opened its doors for business at the start of the year, will be recruiting from among an estimated 40,000 companies in the North.

The centres are intended to cater for the much greater mobility of the modern businessman, providing a base in major cities around the world in which he can meet potential trading partners. Thus a businessman flying in to Manchester Airport can, through the centre, be provided with temporary office facilities and can be put in touch with a list of companies providing the product or service he is interested in.

The centre will also provide local members, particularly smaller and medium-sized companies, with a range of exporting facilities which they may lack the expertise or financial resources to develop themselves. Larger companies with sophisticated export departments of their own can still use the centre, according to Mr. Sweet, to find previously undiscovered markets.

The Manchester Centre is expected to move eventually to a new site, with the city's former Central Station currently the favourite.

Brazil to cut State company imports by 15%

By Diana Smith in Brasilia

IMPORTS BY Brazil's State-run enterprises in 1980 are to be cut by 15 per cent to just over $2.5bn, Sr. Antonio Dalfim Netto, the Planning Minister, announced yesterday. The measure is expected to be officially imposed this week.

At the beginning of the year, State companies' imports were cut to $3bn, 20 per cent less than in 1979. This was expected to relieve pressure on the trade account, which the authorities want to balance this year at $20bn each of imports and exports. But rising oil prices are expected to push the oil import bill up to $11bn for the year, making further non-oil import cuts necessary.

It is understood that Petrobras, the oil monopoly, the mammoth Itaipu dam and, probably, Nuclebras, the national nuclear agency, will be exempted from the new cuts.

Sr. Netto has also said that half the State concerns, which include utility companies, mining concerns, steel agencies, welfare institutions and pulp industries, have already spent their 1980 allocations.

W. German beer drinkers get a taste for foreign brews

BY LESLIE COLITT IN BERLIN

WEST GERMAN beer drinkers *appear* to have reached the saturation point when it comes to the domestic brew while imported beers are establishing a bridgehead in one of the world's most competitive beer markets.

Statistically every West German downed 145.1 litres of beer or half a litre less than in 1978, which was already down from 148.6 litres in 1977.

Putting this in perspective, the Czechs consumed 130.7 litres per head in 1978, the Danes 127.7 litres, the Irish and Belgians 124 litres, the Britons 122.1 litres and the Americans only 88.6 litres.

At the same time as German beer consumption has declined the amount of so-called cheap beer on the market has risen. This is often good quality beer produced by German breweries under a different label and sold in supermarkets and discount stores. These beers can be bought for as little as half the price of some of the brand names.

The breweries admit that although the cheap beers boosted per capita intake to a record 151 litres in 1976, it *also led to falling profitability.* West German banks bought up so many breweries that one Bavarian bank became known as a brewery with a banking division. Now they are busy selling them while the larger breweries seek to diversify.

Small size has also prevented most West German breweries from reaching the most economical scale of output. The average brewery in West Germany—where there are 1,447 of them compared with 143 in the UK, 89 in the U.S., 73 in France and 21 in The Netherlands—turns out 633,000 hectolitres of beer compared with 3.1m in the U.S., 697,000 in the Netherlands and 464,000 in Britain. Many local German beers, such as the delicately smoked Rauchbier from Bamberg, are virtually unknown outside their area.

Other Western European brewers, especially the Belgians and Danes, have added to the abundance of low-priced beers and lifted West German total beer imports in 1978 to 575,000 hectolitres or 0.9 per cent of domestic beer consumption while German beer exports were 2.7m hectolitres. The UK *became* the largest market for West German beer, taking 580,000 hectolitres followed by the U.S. which imported 439,000.

Neighbouring East Germany which is not subject to customs duties for quotas on its products in West Germany, sent over 168,000 hectolitres *of beer in* 1978 as well as barley malt. East German beers such as Radeberger and Wernesgruner sell for less in West German supermarkets than in East Germany.

The two Germanies still share a brewing law stemming from the Middle Ages that beer may only be brewed from barley malt, yeast, hops and water. Imported beer must also comply with this regulation which means that so-called "pulp" such as rice cannot be used. On the other hand German brewers may use the cheaper raw materials if they desire in their exported beer.

Czechoslovakia, which supplied 151,000 hectolitres to West Germany in 1978 is one of the few foreign producers to sell beer in the upper price bracket. A bottle of Pilsner Urquell from Pilzen or Budvar from Budejovice sells for DM1.35 (33p) in most West German supermarkets which puts it ahead of all but a few German brands.

Mr. Rudolf Polak of the Koospol Food and Drink Foreign Trade Organisation in Prague says Czechoslovakia does not want to expand its beer exports to West Germany and other Western countries, holding it to some 300,000 hectolitres out of 24m produced annually.

"We have a high value product unlike our machinery where the market is difficult," he notes. "And we want to keep the product a bit scarce."

The Czechoslovaks have launched their share of legal actions in West Germany where the word Pilsner has virtually become a generic name for beer. They have won several actions where German and Danish brewers had used the word Pilsner, Urquell or Urpils on their labels and nothing else.

Although imported beers are unlikely to occupy more than a niche of the huge West German market, changes in German drinking habits are affecting consumption.

In 1970 beer made up 27.2 per cent of all drinks, alcoholic and non-alcoholic, consumed in West Germany. This dropped to 24.1 per cent in 1978. In the same period wine gained only slightly from 3 per cent to 3.3 per cent. Spending on beer however, fell from 35.2 per cent to 28.8 per cent while spending on wine rose to 9.7 per cent. Soft drinks made the greatest inroads on the traditional beer market, gaining from 13.4 per cent to 19.6 per cent of all beverages.

The presence in West Germany of 4m foreign workers and their families has not helped to boost beer consumption. The Turks, as the largest single group, are not as a rule beer drinkers and most of the others—Italians, Greeks and Yugoslavs—drink more wine than beer.

Any growth will thus have to come from exports which have gained fastest to Britain, Austria and the U.S., although in the latter it is Dutch beer which dominates among the imports.

... from the competition.

Borrie defends new competition policy

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT'S controversial new competition policy, enabling a full-scale investigation of any anti-competitive practice by individual companis, was strongly defended yesterday by Mr. Gordon Borrie, Director-General of Fair Trading.

Mr. Borrie, writing in the annual report of the Office of Fair Trading which was published yesterday, responded to growing criticism from industry that the new interventionist competition policy was an unnecessary burden on companies faced with the looming economic recession.

Mr. Borrie says that the "instruments of competition policy are in practice used to help hold the balance between different groups within the industrial and trading communities."

He adds: "The term 'fair' in the title of my office applies as much to my responsibilities to businessmen who may be the victims of anti-competitive behaviour by fellow businessmen as to my role in safeguarding the interests of the consumer."

The new Competition Act, which became law last April, enables the OFT to refer to the Monopolies and Mergers Commission for a six-month investigation any anti-competitive practice carried out by a single company.

However, a number of Conservative back-bench MPs and employers' organisations have been critical of the new Act because of its interventionist powers.

The OFT's use of the new powers has been held up by the Government delay in laying certain enabling orders before Parliament. These are now expected at the end of the month, but it is unlikely that the OFT will be in a position to act until the end of July.

There has been some speculation that the delay in the new powers being used was a result of the pressure from industry on the Government. However, this has been denied by the Government.

Long-term costs

Mr. Borrie, in his report yesterday, says that while it is important not to let competition policy become an end in itself, "market-sharing arrangements and other forms of cartelisation have longer-term costs since they delay inevitable change and suppress economic signals on which the right investment decisions need to be based."

He adds that "there is no evidence to suggest that monopolistic behaviour is more likely to lead to the improvement in efficiency and productivity that the UK economy so desperately needs or that it would resolve any of the consequential deep-seated problems such as the UK's propensity to import manufactured goods."

But Mr. Borrie acknowledges that "it would be misleading to pretend that this function of holding the ring to see fair play within industry can be undertaken without making any demands on management."

The OFT's report shows a growth in merger activity in the past year, the registration of 246 restrictive trade agreements, and some 348 complaints about the effect of monopolies on the supply of goods and service.

In 1979 the OFT considered 257 mergers, an increase of about 12 per cent on 1978. On two occasions Mr. Borrie's advice to the Trade Secretary that a merger should be referred to the Monopolies and Mergers Commission was overruled. These cases involved the Thorn takeover of EMI and the Clogas acquisition of Calor Gas.

Mr. Borrie is also critical in his report of allegations that new consumer protection legislation imposes too great a cost on companies. "Many of the measures that are criticised as 'consumerist' prove on closer examination to be legislation introduced by Government with wider economic or social objectives in view and involve manufacturers and traders in doing no more than they would want to do in a competitive market."

Mr. Borrie concludes: "Unless there is some quite remarkable change in human nature, the need to help ensure fairness in trading will remain."

* *Annual report of the Director General of Fair Trading. 1979, SO, £4.*

NEDO chief in research plea

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

GROWING DEMANDS from companies for the Government to devote more resources to industrial research and development received support yesterday from Mr. Geoffrey Chandler, director-general of the National Economic Development Office.

Speaking two days after Sir Keith Joseph, Industry Secretary, indicated some softening in his opposition to industrial support, Mr. Chandler delivered to the Industrial Participation Association a speech that amounted to an outspoken criticism of Sir Keith's basic beliefs.

"It is argued that past British Governments, of whatever complexion, have only made matters worse by intervention. It is therefore concluded that the best course is to allow free rein to market forces and abstain from intervention. But I believe that is a wrong interpretation of history.

"Past Government interventions in industry have indeed been partial, short-lived and inconsistent. But such intervention has not necessarily been proved wrong as a principle."

Confusion existed between government intervention in the form of control, which usurped competitive decision-making and could stultify industrial success, and Government assistance designed to speed industrial and social change.

Government intervention did not have to imply "picking winners." However, it might provide support to areas where industrialists indicated that success was essential.

The Government had a role to lead, and that assumed special importance in a recession.

"It is essential to sustain through the short term those elements — investment in research and development, product development and training —which are vital to longer-term industrial success," Mr. Chandler declared.

ICL plans multi-layer circuits production

By Guy de Jonquieres

ICL, Britain's biggest computer company, yesterday announced plans to become a major supplier of advanced multi-layer printed circuit boards on the world market.

The company has already received orders worth £400,000 from outside customers. It plans to sell the boards to purchasers in the U.S. and Japan as well as in Europe and expects sales to grow by 20 per cent a year to an annual level of more than £5m by 1982.

The ICL circuit boards, each of which is made up of as many as 22 separate layers, are used for mounting micro-processors and other micro-electronic devices.

The biggest board assembly, measuring no more than 16 in. across can house almost 4,500 microchips. The circuits connecting the different devices on the boards are as little as six-thousandths of an inch wide.

ICL is already using the boards in several of its largest computers. They are also suitable for applications in telecommunications, defence electronics, instrumentation and control and consumer electronic products.

Until recently, ICL had to buy many of the boards it needed for its computers from outside suppliers. It now expects, besides supplying its own needs and those of many British customers, to export up to two-thirds of its production.

The boards are being made at an existing plant in Stoke-on-Trent and at a new purpose-built factory in Manchester. The company claims that these account for about half the total UK capacity for advanced multi-layer circuit board production

Delay in support for Inmos 'imperils £100m cash return'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A £100M ANNUAL contribution to the balance of payments expected from the National Enterprice Board's Inmos micro-electronic chip venture has been put at risk because of the delay in obtaining full Government approval for the project, Sir Arthur Knight, chairman of the NEB, said yesterday.

He repeated that his Board has regarded Inmos as a "good project—which means it will save imports and generate exports."

The Board is reviewing its support because the Government failed in the past six months to decide whether to authorise a second £25m tranche of State funds for the company.

Giving evidence about exports and imports to the Commons Select Committee on Trade and Industry, Sir Arthur emphasised his Board's past support for the project and gave no advance indication that it would change its stance.

The second £25m ought to take Inmos to a stage at which it could attract private capital, he thought, and it might even be transferred completely to the private sector.

The NEB also believed its production facilities ought to be in Bristol beside its development works.

That view contrasts with that of the Prime Minister, who wants the project located in a development area, probably near Cardiff in South Wales.

Sir Arthur detected growing interest among financial institutions in investing in high-technology projects. But he gave a warning that rapid movements in the value of sterling were beginning to hamper such ventures, which are normally more immune to currency movements than less sophisticated industries.

Largest ferry operator raises operating surplus

BY OUR SHIPPING CORRESPONDENT

DOVER HARBOUR BOARD, Britain's biggest cross-Channel ferry port, increased its operating surplus by 25 per cent to £3.38m last year on the back of a 22 per cent increase in revenue.

Passengers passing through increased by 8 per cent to 9.2m while road haulage vehicles increased by 13 per cent to 507,000. However, accompanied car traffic (1.29m) stagnated as did other roll-on freight (109,509 units).

Last year more than 25,000 vessels (including hovercraft) entered the port (11.3 per cent up on 1978) and cargo passing through rose by 16 per cent to 6.3m tonnes. For the second year running Dover was Britain's leading port for value of cargo handled.

After holding its charges throughout 1977 and 1978, Dover increased them at the beginning of 1979 by an average of 10 per cent for roll-on/roll-off traffic

Sir Maurice Bridgeman, former BP chairman, dies

SIR MAURICE BRIDGEMAN, who died on Tuesday, was chairman of British Petroleum from 1960-1969.

He was born in 1904, the third son of the first Lord Bridgeman. Educated at Eton and Trinity College, Cambridge, he joined the Anglo-Persian Oil Company, as BP was then named, in 1926.

He worked in Iran, London and New York.

In 1939 he was petroleum adviser to the Ministry of Economic Warfare, becoming assistant secretary of the Petroleum Department and joint secretary of the Oil Control Board in 1940.

After serving as petroleum adviser to India, he became principal assistant secretary of the petroleum division of the Ministry of Fuel and Power in 1944. In 1946 he returned to his former company.

He was created a CBE in 1946, and knighted in 1964. Sir Maurice Bridgeman retired to his Sussex home in 1969.

Five more take Welsh factories

By Robin Reeves in Cardiff

ANOTHER FIVE companies are taking over Welsh Development Agency advance factories in the Ebbw Vale steel closure area in South Wales, for projects which are expected to create a total of 170 jobs.

It was announced yesterday that U/Save Insulation of Daventry is taking a 10,000 sq ft unit for recycling waste paper to produce cellulose insulation. The company expects to employ about 80 people after three years.

Aeromotive (UK), reel manufacturers, is to move into a similar sized factory and eventually employ about 46, while EAB has leased a 4,500 sq ft unit to manufacture biochemicals for the medical market. It plans to employ 45 staff.

Two smaller ventures, ultimately employing about 24 people are being launched by Doleq Carpets and Blackwood air and hydraulic supplies.

Scots overlapping 'deters investors'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

FOREIGN COMPANIES are deterred from investing in new plant in Scotland because of the confusion caused by having to deal with many different authorities, the Scottish division of the Confederation of British Industry said yesterday.

In evidence to the Commons Select Committee on Scottish Affairs, which is investigating industrial promotion, the CBI says that unnecessary duplication between authorities needs to be eliminated.

Mr. John Davidson, director, said that in one recent case a developer had to deal with 15 different bodies when considering a project.

"The role of some of these bodies is far from clear. They appear to contribute little to a final decision to site the project in Scotland. Duplication of authorities simply increases the timescale."

He added that the overlapping was present in overseas promotion of Scotland as a desirable location for manufacturing enterprises, and in the distribution of grants and other financial incentives.

"Even at government level, regional development grants are the responsibility of the Department of Industry in Scotland, whereas other financial assistance comes from the Scottish Economic Planning Department. This leads to confusion and uncertainty.

"In our experience competing agencies have contacted the same firm offering conflicting advice. In other cases the approach has been out of tune with the developer's own attitudes. Results can be disastrous," he said.

"What we would like to encourage is personal contact between a foreign developer and a compatriot already established here. It is in our view the single most effective approach."

Demand for beds turns BUPA to building

News Analysis ● Medical insurers' success in winning subscribers is raising the possibility that there may not be enough beds for them. Eric Short looks at efforts by the largest provident association to make sure there are.

THE RAPID growth of private medcal insurance—which now covers 3m people in the UK—is threatening to outstrip provision of private hospital beds. With the expansion of such schemes, as part of employee benefit packages, the major medical insurers have had to become providers of hospitals themselves.

The three biggest provident associations, which transact 98 per cent of medical insurance in the UK, all reported record growth in membership last year. The British United Provident Association now has over 1m subscribers, covering 2½m people; Private Patients Plan has nearly 300,000, and Western Provident Association over 50,000.

But this success has brought its own problems. People take out medical insurance to be able to bypass the NHS when ill and get immediate private treatment. But this presupposes an adequate and constant supply of private hospital beds throughout the country.

For years the supply has been more than adequate. But the rise in private insurance membership coincided with the phasing out of pay beds within the NHS. The Conservative Government has stopped the phasig out of pay beds but the balance between beds and users has altered.

Private hospital development, outside the NHS, has been slow. Most construction is undertaken by the Nuffield Nursing Homes Trust, a charity established by BUPA in 1957 and now supported by all the provident associations.

It usually looks for areas with demand for a private hospital (it is often approached by local doctors), raises money locally and builds a hospital of around 30 beds.

But it takes a year or more to attract enough local gifts before building can start. Increasing building costs have added to the problems of financing through local fund raising.

So a few years ago BUPA decided it would also have to build its own hospitals to ensure it had enough private beds.

BUPA's building progress began in 1977 following the phasing out of National Health pay beds in Manchester. BUPA acquired the St. Joseph's Hospital in 1977, renamed it BUPA Manchester Hospital and completely rebuilt it, providing 88 beds and the latest facilities.

Since then BUPA has become a major provider of private hospital beds, concentrating them in a few large hospitals which are more economical than several widely-scattered small ones. It has, for instance, acquired and demolished the maternity hospital at Bushey to make way for a new 60-bed unit.

BUPA is also planning three other hospitals at Harpenden, Cardiff and in the Wirrall. The planned Wirrall development highlights problems of building private hospitals under the old system.

Originally, local doctors approached the Nuffield trust to develop a private hospital there for a cost estimated at £4½-£5m. But the fund-raising activities collected only £600,000. The need for the hospital was strong, so BUPA took over the project.

One of BUPA's main aims remains the creation of a massive medical complex in Central London, which would include a 250-bed hospital and medical complex comprising diagnostic and other facilities. BUPA thought it had the ideal site in Chelsea, but its bid failed. It is still looking for a suitable site, and has had to adopt more flexible plans.

Executives' pay gap narrows by 15% in 13-state survey

BY JAMES McDONALD

HIGHER SALARIES and growth in sterling's strength over the past year further narrowed the gap between the pay of a British executive and his counterpart in other leading industrial and commercial countries. Nevertheless, UK management remains less well-paid than comparable executives abroad.

In its annual survey of inter-country executive remuneration, the organisation Employment Conditions Abroad (ECA) estimates that in the past year the difference between the UK executive's gross pay and the average executive levels in 12 other major countries has narrowed hy about 15 per cent.

In net remuneration the gap has narrowed by 11 per cent, and in terms of purchasing power (or what the net remuneration will buy) by 8 per cent.

In net remuneration—after deducting employee Social Security contributions, only the Swedes are worse off than the British. In terms of comparative purchasing power, again only the Swedish executive remains financially worse off.

The ECA tables show UK executives at three typical levels of gross salary—£11,250 per annum, £15,500 and £21,400—and compares them with those holding equivalent posts in the 12 other countries.

"Hardening of sterling and higher salary movements have both contributed to the improvement in the net income comparison," says the ECA. "The reduction in the purchasing power gap is less, however, because one effect of the hardening of sterling is to make the other countries comparatively less expensive."

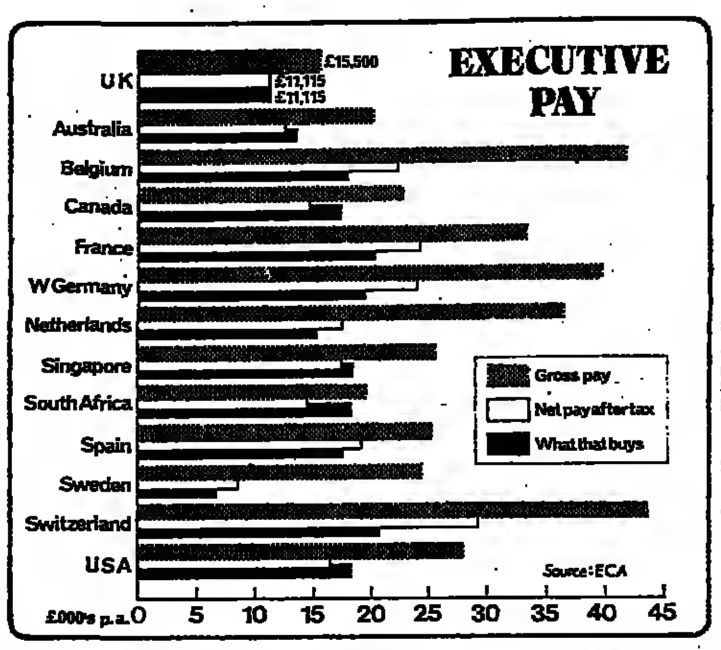
As in previous years, however, the disparity between the UK and abroad remains widest in terms of gross pay and narrowest in purchasing power. This is because the UK is still cheaper than most of the other countries, although this purchasing power is reducing.

In the previous year's comparisons Australia, Canada, Singapore, South Africa and the U.S. were cheaper or about the same as the UK. This year, with the UK's higher inflation rate these countries have become even cheaper. Other countries have moved closer to the UK, and Britain now has the highest rate of inflation of the 13 countries surveyed.

Switzerland maintained its leading position—which it took from the U.S. in the previous year—as the net overall best payer, followed by France and West Germany. A UK earner of £15,500 equates to a Swiss earner of £43,648.

The report does not examine the economic factors behind fectual pay comparisons. "However, it is evident that the UK, which is ceasing to be a cheap country, can maintain or improve its relative position only by increasing its pay levels, and can afford to do this only if its economic performance justifies these increases," it says.

ECA is a monitoring organisation set up by leading international companies to collect and update information on all aspects of employment, expatriate and local.



Europe's economy air fares 'excessive'

By Lynton McLain

ECONOMY FARES on longer European flights are "excessively high," according to a House of Lords committee in a report published yesterday.

National airlines in Europe are "over-protected and regarded as virility symbols rather than economic units by their Governments," according to Lord Boyd-Carpenter, chairman of the Lords sub-committee which investigated European air fares.

"Civil airlines in Europe," he said, are unduly coddled and protected." The committee wants to see the Government press for more competition on European routes.

Airline consumers' interests appear to be "sacrificed to the prestige of flag-carrying national airlines." The committee wants EEC Governments to adopt a step-by-step approach to liberalisation of competition.

The committee asked the EEC to encourage airlines and travel agents to display notices listing all available fares—" for benefit of buyers and sellers."

Forty-ninth Report of the House of Lords European Communities Commission, Session 1979-80 (HL 235), European Air Fares. Price £6.

National Bus may shut routes that do not pay

BY LYNTON McLAIN

THE STATE-OWNED National Bus Company, may be forced to abandon unprofitable rural bus routes as a result of cash constraints and the consequences of the Government's Transport Bill. The company, which controls 35 regional bus operators, made a net surplus of £6.2m last year compared with £17.7m in 1978.

Lord Shepherd, the chairman, said yesterday, on publication of the 1979 anual report, that measures in the Bill would cause National Bus "to concentrate on services that are commercial."

Many services of value to the public may be withdrawn.

The possible abandonment of rural services losing money was widely forecast when Mr. Norman Fowler, the Transport Minister, introduced his Bill last year to "de-regulate" express coach and excursion services.

National Bus said "there is little doubt that de-regulation of longer-distance services will lead to a contraction in the capillary network of express services." Efforts will be concentrated on fast-running and high-earning services on motorways and dual-carriageway trunk roads.

The Transport Department said in response that the Bill would open the field to smaller companies. They might have lower overheads, more of a chance to make a profit, and might fill the gap left by larger companies.

Last year's results for National Bus were "not unsatisfactory" in view of the "dreadful winter" of 1979, Lord Shepherd said. The weather resulted in damage to a third of the company's 17,532 vehicles, and led to a drop in passengers.

This was reversed in the summer, when traffic rose by about 2 per cent. Mr. Robert Brook, the deputy chairman and chief executive, said that this was partly caused by motorists' difficulties in obtaining fuel, especially in the South.

The year ended with total traffic down 1.3 per cent compared with 1978.

National Bus made further gains in productivity last year, the total operating cost for each bus-mile rose at a rate lower than the rate of inflation.

National Bus has 84 per cent of its buses one-man operated, as agreed with the unions, and Mr. Brook said further gains here were "less possible" than in the past.

On a current-cost accounting basis, National Bus had a loss of £15m last year. Lord Shepherd said that in the past deficits had been dealt with by borrowing.

But "in the new circumstances facing us" this would no longer be entirely possible. The company faces tight Government cash limits and was required by statute to break even in current-cost accounting terms.

This represented a "real squeeze," Lord Shepherd said, because tha company would soon have to fill the gap emerging as a result of the phasing-out of the Government bus grant, worth £24m to the company last year.

Lonrho not to bid for Shotton

By Hazel Duffy, Industrial Correspondent

LONRHO will not be making an offer to the British Steel Corporation for the Shotton complex, but it appeared from a statement yesterday that the company still wants to keep its hand in by making a bid to manage Shotton on a contractual basis.

The chairman of Lonrho's Hadfield subsidiary, Mr. Derek Norton, will elaborate on the plan at a Press conference in Sheffield next Monday. In its statement yesterday, Lonrho claimed that if the management of Shotton was handed over to Hadfield's management, it would be possible to reduce imports of finished steel, and create jobs at the North Wales plant. It is believed that Hadfield is thinking of bringing in semi-finished steel and re-rolling it at Shotton.

Mr. Norton took a team to visit Shotton at the beginning of April, where they had discussions with senior management of BSC and Shotton workforce representatives. The visit resulted in a recommendation by Hadfield that it should not make an offer for the site, which has been accepted by its parent company, Lonrho.

BSC's iron and steelmaking at Shotton was due to close at the end of Merch, but the plant has not operated since the end of December because this was followed by the three-month steel strike. The closure resulted in 6,400 redundancies. But BSC has maintained the steel strip coatings complex at Shotton, which was modernised recently at a cost of £65m. The plant is now fed with steel from BSC's plants in South Wales and Ravenscraig.

Mr Narton suggested when he visited Shotton that thousands rather than hundreds of jobs could be revived if Hadfields took over the complex, which obviously endeared him to union and local authority officers in the area. The statement yesterday puts no figure on the number of jobs that might be created if Hadfields took over the management, but merely says that employment levels would be "increased."

The decision on whether any other company should take over a BSC plant lies solely with the Corporation.

Helm change at ailing Gratton

BY CHRISTINE MOIR

A NEW chief executive is to be appointed to Grattan Warehouses, the troubled mail order company.

Mr. Michael Pickard, its chairman, announced yesterday that Mr. Devid Jones, managing director of British Mail Order Corporation and an associate director of Great Universel Stores, will join Grattan "within six months."

The present managing director, Mr. Micheel Piece, will stay on as deputy chief executive.

Six weeks ego Mr. Pickard announced a series of senior management moves as a result of which the finance director, company secretary and chief buying director either resigned or lost their executive status.

Now, in addition to Mr. Jones, a management services and computer director is to be eppointed. He is Mr. John Whitmarsh, also of Greet Universal.

Mr. Whitmarsh has been director of computers et British Mail Order since 1978 and has clearly been acquired to direct Gratten's change to computerised sales and warehousing, which has dragged on at high cost.

While the changeover has been under way, profits at Grattan have slumped. Last year, for the 12 months to January 31, the company reported a pre-tax profit of only £4.45m compared with £11.28m the previous year. The figure would have been nearly £2m lower but for a controversial accounting treetment of VAT

Borrowings had gone from £13m to £33m by the year-end, but Mr. Pickard is expected to tell Monday's shareholders' meeting that they have now come under control.

He has no hopes for a quick recovery, but is confident that the company's affairs will be sustainable uotil the new executives arrive.

The market reacted favourably to the appointments yesterday, closing 6p up at 68p.

ICL not to face monopolies probe

BY JASON CRISP

THE OFFICE of Fair Trading has decided not to refer ICL, Britain's largest computer manufacturer, to the Monopolies Commission after the company agreed to change some of its commercial practices.

But the OFT, which has been investigeting complaints about ICL's trading practices, will continue to monitor the company's activities.

Yesterday ICL acknowledged that the OFT was reserving its rights under the competition legislation and woold re-open discussions with the company if the situation changes or new significant evidence appears.

Several small computer companies had complained that ICL had been carrying out allegedly anti-competitive trading practices. ICL did not agree to change all of its practices which led to the complaints. The main practice which it has been unwilling to concede to the OFT is the length of its standard maintenance contract and its unwillingness to accept responsibility for maintenance after the expiry of the contract period when ICL equipment is moved to a new site.

After discussions lasting several months with the OFT ICK hes agreed to a number of changes in its commercial practices, largely to do with the connection of peripheral devices.

On maintenance ICL has agreed to withdraw a 20 per cent surcharge which applied at the end of the seven-year contractual maintenance period.

A letter from the OFT to ICL on Tuesday stated: "Taken as a whole, we consider that the modifications proposed represent a significant improvement in relation to practices of your company which hava been under discussion. Accordingly we are able to say that on the information at present available, this Office does not intend to use its powers under the Fair Trading Act or the Competition Act for an investigation of the ICL practices which gave rise to these complaints."

Scottish-backed venture capital company launched

BY NICHOLAS LESLIE

A NEW VENTURE capital company, backed by Scottish investment trusts and with £2m to invest initially, was launched in London yesterday. It aims to back new, or small companies with the potential for rapid growth.

A specific feature of the the investment approach is that companies backed by the fund will be under no early pressure to pay any dividends. Indeed, investors will probably receive no return for perhaps five to eight years, and will rely solely on making a return through large capital profits.

The two leading institutional investors in the fund are Murray Johnstone and Scottish American. Other investors investors include eight quoted Scottish and one English investment trust, together with Bricomin, a subsidiary of British and Commonwealth Shipping Company.

The fund, Venture Founders Capital, will be managed by Venture Founders, which manages the Rainford Ventura Capital company. This was launched in February with £1.5m from Pilkington Brothers, the St. Helens glassmaker, and a total of £600,000 from Prudential Assurance, British Petroleum end Industrial and Commercial Finance Corporation. Venture Founders is a subsidiary of Venture Founders Corporation, an American venture capital company based in oBston.

The launch was welcomed yesterday by Mr. John Biffen, chief secretary of the Treasury. He said the Finance Bill would contain specific measures in relation to small companies. "We shall contioue to provide e tax framework that is congenial to the small business sector."

Tha screening process used by Venture Founders can take about nine months but Mr. Brian Haslett, its managing director, said that in the U.S. it had resulted, over a seven-year period, in a failure rate of about only 15 per cent (compared with about 20 per cent at best for similar activity in the UK) and some very good capital profits.

Investments of between £50,000 and £350,000 will be made for minority stakes in companies in the South of England, where it is believed there are the greatest number of new technology and other companies with potential for rapid growth. The fund will be invested over three years, though more money is likely to be put in if needed.

Venture Fonnders receives a management fee—in line with U.S. practice — of between $400,000 and $500,000 a year, said Mr. Haslett. Venture Founders also participates in capital profits.

Euroco building £0.5m centre near Dublin

EUROCO, a British computer software company, is setting up a development centre costing £500,000 north of Dublin with considerable assistance from Ireland's Industrial Development Authority.

The new centre, which is expected to employ over 50 computer professionals by 1983, will develop the company's existing packages for insurance brokers and its accounting system. The products will be exported to Britain, Germany and the U.S.

One in two car owners ignore safety recall

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FEWER THAN HALF the people contacted about psosible safety defects in their vehicles have been responding to recall campaigns by the manufacturers.

The Department of Transport has therefore issued a warning that "owners who choose not to respond to a recall notice are a potential hazard not only to themselves but to other road users."

The Department has been monitoring the progress of the voluntary Code of Practice on vehicle safety defects agreed with the Society of Motor Manufacturers and Traders and launched 18 months ago.

Since then 62 recall campaigns have been initiated under the code—from July 10 last year to March 31 this year—involving 370,892 cars and commercial vehicles.

Manufacturers contacted owners or operators by using the Vehicle Licensing Centre at Swansea or their own records. Some people failed to respond because they had changed their addresses but did not notify Swansea.

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But many owners obviously feel that the matter is apparently too trivial to worry about. The Department maintains, however, that there would be no recall unless the defect could affect a vehicle's safety.

Where possible, the Department will try to contact fleets of commercial vehicles or company cars which do not seem to be answering recalls and advise them of the risk to safety they may be running.

Brickfield pollution discounted as danger to health

By Gareth Griffiths

ATMOSPHERIC pollution caused by the London Brick Company's Fletton brickfields in the Bedfordshire, North Buckinghamshire and Peterborough area, is not a health hazard, says a report from the Department of the Environment.

The report, published yesterday, clears the way for both Bedfordshire and Cambridgeshire County Councils to give planning permission to London Brick for a £75m scheme to build three new brickworks in the area as part of e 15-year redevelopment programme. Both councils had deferred final planning decisions until the DoE report was published.

Air pollution caused by the brickworks is mainly in the form of fluoride, sluphur dioxide and odours. The report suggests that a monitoring and assessment group be set up.

Steel imports still well above average in May

BY ALAN PIKE

LEVELS of steel imports into Britain, doubla the normal monthly figure in April, remained well above average last month.

Mr. Gordon Sambrook, commercial director of British Steel Corporation, told the Commons Industry and Trade Committee yesterday that while the May figures were not yet confirmed they "look significantly higher" than the normal 300,000 tonnes a month, though below April's 600,000 tonnes.

Imports remained at normal levels from January to March, actual period of the netional steel strike, but began their climb as the strike was coming to an end. Mr. Sambrook said BSC hoped that the June figures would show extra imports beginning to taper off.

Some large companies, he agreed, had indicated that they would continue to seek second sources as a result of their experiences of tha strike. But there was soma evidence that this would not be as widespread as BSC might have feared.

Though BSC had put some customers in touch with other suppliers during the strike, it had not itself tried to import steel, partly because of physical difficulty and partly to avoid worsening industrial relations.

Recession led to Bradley cuts

BRADLEY ENGINEERING, of Swindon, which is closing its motor sales department, making 45 people redundant, said yesterday that the decision was caused by the recession in the motor trade and was not a sign of financial difficulties.

It is keeping on skilled men to work on general engineering and sub-contracting. Edwin H. Bradley, the parent group, which employs about 2,000 people, said it expected pre-tax profits in the last financial year to be far in excess of the previous year's.

Young drinkers on the increase

THE United Kingdom Alliance, a temperance association opposing a relaxation of licensing laws, said yesterday that people were turning to drink at an earlier age.

In 10 years the number of under-18s convicted for drunkenness bad quadrupled, it said. Rioting by English football fans in Italy showed that young people were incapable of handling alcohol.

Record £165,000 realised for rare Pellizza work

SALEROOM

BY ANTONY THORNCROFT

A PAINTING by the Italian divisionist artist Giuseppe Pellizza da Volpedo, which was lost soon after it was painted around 1900, sold for a record £165,000, plus the 11.5 per cent buyer's premium and VAT, at a Sotheby's auction of 19th century European paintings yesterday. The Pellizza was rediscovered when its owner, watching a programme on television about the recent Post-Impressionist exhibition at the Royal Academy, heard the artist's name mentioned and linked it with a picture bearing the same name on his sitting-room wall.

The Pellizza has been recognised as such by experts. Entitled "Idillio Primaverile," and circular in shape, it is now regarded as the precursor of a similar painting in the Gallery of Modern Art in Milan. The price was over three times the estimate.

ARTHUR SANDLES ON THE FAR EAST'S AIRLINE PROBLEMS

Storm clouds in Nott's open skies

SHOULD Mr. John Nott's enthusiasm for diversified air services to Hong Kong be endorsed by the colony's air transport licensing authority, the number of Britons who enjoy (or endure) a landing at Kai Tak Airport will increase dramatically.

Last year some 6.7m people flew into or out of Kai Tak, and for those who arrive on a clear day with the wind blowing from the sea, the experience is memorable.

The airport is wedged between Hong Kong's skyscrapers and the eastern waters of Victoria Harbour. The narrow finger of runway is so placed that the wide-bodied jets, which make up half the traffic of Kai Tak, have to make a sharp right turn at a rocky promontory—heavily painted in black and white and nicknamed the Chequerboard.

Having made the turn—and failure would mean a detour into Chinese airspace—the jets descend through an avenue of oriental washing hanging from the balconies of tower blocks.

By any standards Kai Tak is already a busy airport, and it is rapidly approching bursting point. Last year its number of flights rose by six per cent from 52,642 to 55,928, but because an increasing proportion of these are big jets the number of passengers was up by 12 per cent.

The colony's position as a trading centre also makes the airport a hectic place for cargo traffic. It handled 260,000 tonnes last year, which included a quarter of Hong Kong's exports and a fifth of all imports.

The local Government acknowledges that the airport's future development is restricted by the hilly surroundings, the proximity of urban areas and the scarcity of land. For that reason there are now plans for a new airport, at Chek Lap Kok Island, off Lantau.

The crowding of Kai Tak, the lack of local hotel rooms for the next two years at least, and a desire to nurse along aviation policy (and with it the local airline Cathey Pacific) are all reasons why the Hong Kong authorities are not as eager as Mr. Nott to play the open skies game.

For Mr. Nott the Hong Kong route is part of a newly aggressive freewheeling aviation policy. For Hong Kong itself the airport and its services are at the heart of local economic life.

The Governments and airlines of the Far East try to work closely together, an intention which is not always achieved when any national carrier is faced with a particular self-interest. What could upset the balance this time is that the British move opens up the prospect of a gateway war in the area.

Clearly if Hong Kong makes a determined bid for the title of Far East gateway the current claimant, which is arguably Singapore, might be keen to resct. Other rivals, such as Bangkok and Manila, might not stand aloof from any such struggle.

Singapore too has problems of overcrowding. Its airport handles much the same amount of traffic as Hong Kong's, but plans for a replacement are much further advanced. Land which was once used by the British forces at Changi is being transformed into a new international airport and Singapore is planning for 12.5m passengers a year by the mid-1980s. If Hong Kong's aviation freedom looks like endangering this planned growth the challenge is likely to be taken up.

The greatest hindrance to any strong pitch on Hong Kong's behalf for more visitors is hotel accommodation. In 1979 local hotels operated on an average 91 per cent occupancy level, which means that for much of the year there wera simply no rooms to be had. The colony discourages casual visitors who arrive without pre-arranged accommodetion and thus is not keen on Laker's Skytrain.

Room availability, though, is a problem more easily solved than the airports limitations. While there are only 14,363 hotel rooms in Hong Kong at the moment, a further 1,533 will open this year and the total is planned to top 18,000 by 1981.

Local hoteliers are looking hungrily at the Chinese market and have high hopes of the colony (which China refers to as a Chinese territory under foreign administration) remaining the major gateway when more hotels are built in and around Canton.

Even with an expanded ability on the part of neighbouring China to accept visitors, and with more hotel rooms of its own, Hong Kong would still have to re-export its visitors for the airlines fully to indulge their freedoms. This in turn would mean a considerabla upsurge in feeder traffic, the branch lines of civil aviation which poor local people over short distances to the international termini.

Hong Kong is only an air hop from Taiwan and the Philippines. Nor is it far from Korea, Thailand, Singapore or even Japan and Indonesia. On many of these routes one name occurs again and again, and that is Hong Kong's own flag carrying airline, Cathay Pacific.

Cathay Pacific is controlled by Swire, a Hong Kong based conglomerate. Via Cathay Holdings, a wholly owned subsidiary, Swire has 60 per cent of Cathay Pacific. A further 25 per cent is held by the Hong Kong and Shanghai Bank and, intriguingly the rest is owned by British Airways.

Cathay is now assured of its rights on the London-Hong Kong route for, whatever happens, the Hong Kong authorities are not going to reverse their decision on that point. The airline has proved itself quickest off the mark in getting a service running—it starts next month—and by far the sharpest in promotional terms by getting full-page advertisements into yesterday's national newspapers.

Cathay's potential gain from additional traffic into Hong Kong is enormous. With its widespread feeder network (it serves 23 cities with a fleet largely based on 747s and TriStars) and local popularity, even a shortfall on tha main route to the UK might have its compensations on the local runs.

All this means that Cathay comes into full frontal competition with another regionally based carrier, Singapore Airlines. Singapore is upset by the likelihood of a considerable rise in rival seats but is equally ready to do battle.

"We believe that having four airlines on the Hong Kong-London route will affect our uplift from tha UK," it says. "But we see this as a blood-letting operation, and to some extent we are protected from it by the fact that we are more of a gateway to southern South East Asia (Indonesia, Malaysia and Australia) while Hong Kong is more for the north. We will stand by and watch these airlines beat each other to death."

With the cheapest return fare to Singapore at £399 against British Caledonian's proposed £100 basic one way to Hong Kong, it remains to be seen whether the Singapore airline will be able to watch from the sidelines a bloodbath of its rivals. For the moment, however, it is clear that Mr Nott has stirred up aviation turmoil.

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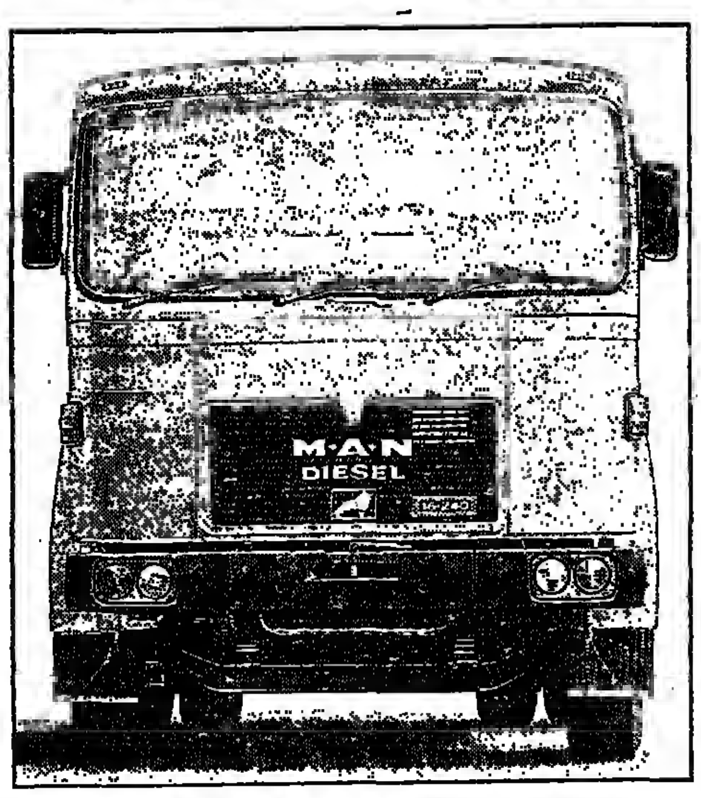

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The naturally aspirated M.A.N. diesel delivers a healthy 237 b.h.p. at a leisurely 2200 r.p.m. to give long engine life.

To pull you through there's a hefty 636 lb. ft. of torque.

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You'll find that the 240 is a straight-forward money-making machine that'll work hard for you without self-interest.

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With a design weight of 44 tonnes G.C.W., this is the perfect tractor unit for long arduous hauls, at home or on the continent.

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With no reliability penalty.

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*The application of Truck Deal of the Year is at the discretion of the dealer and the finance company.

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The Bank of England's Quarterly Bulletin: Peter Riddell, David Marsh and Michael Lafferty report

Bank seeks wage restraint in the private sector

A TEMPORARY fall in real wages would offer the best prospect of getting the rate of inflation down within a reasonable period, and subsequently to allow future increases in real wages, the Bank of England argues in its June Quarterly Bulletin.

The bulletin's assessment section concentrates on the problems of reducing inflation. It says the rise in prices could be tempered by an increase in productivity; but this can hardly be counted on to come about quickly. The rise in prices would also be moderated if profits were squeezed further, but profits are already too low.

Consequently, the Bank argues:

"In practice, a significant slowing down of price inflation will entail a temporary fall in real wages. Though real wages have tended to increase in most years, there should be no presumption that this can happen in every year, and that real wages will never fall back.

"This kind of rigid linkage would provide altogether too little flexibility to the economic system for necessary adjustments to be made.

Faster

"In the past two years, earnings have gone up substantially more than prices—by well over 5 per cent if the June, 1979, indirect tax increases are discounted. Manufacturers' labour costs, too, have risen faster than the prices they received—by an even wider margin.

"To get inflation down within a reasonable period it may be necessary for something like that gain to be reversed in the short-term. That would entail restraint in the public as well as the private sector."

The Bank argues that "a counter-inflationary policy can work only by providing a framework of financial stability over the medium term: the costs in the transition period depend, above all, on how quickly expectations generally, and more particularly firms' ideas of the wage increases they can afford to pay, adjust to the monetary environment.

"It is therefore highly important that wage increases in the next round should be well below the present one. It would indeed greatly reduce the pain and duration of the adjustment if pay settlements were now to be in line with the monetary target."

The bulletin says there are indications that wage increases, especially in manufacturing, have already been restrained by weak conditions of demand; and by the next wage round, this restraint should be stronger.

'Hope'

"There is therefore hope that the increase in earnings in the next round will in fact be appreciably less than the increase in retail prices—significantly reduced as that will be by the early stages of the round. It would then be possible to envisage a substantial reduction in the rate of inflation through 1981."

The assessment notes that the UK is likely to have worse inflation and worse recession than most other countries. It warns, however, that the index of retail prices is not a good indicator of the rate of inflation.

For example, the 3 to 4 per cent boost to the retail prices index by the switch to indirect taxation in the June, 1979, Budget will drop out of the annual rate by July; and there will be a further easing as effects of the oil and commodity price increases of the last year recede and if there is any decline in world commodity prices as the recession deepens.

The Bank stresses that Government fiscal and monetary policies are designed to bring about a progressive reduction of inflation, and need to be continued until that end is accomplished: a less restrictive posture of policy would clearly be inappropriate at a time when inflation is so high.

The bulletin offers the hope that "if the pace of monetary expansion slackens, as a result perhaps of a smaller scale of bank lending, the task of monetary control would ease; and the growth of sterling M3 may moderate to an extent which permits falls in interest rates. Larger possibilities of lower interest rates will open up as inflation falls off."

The assessment also discusses the strength of the exchange rate and says, "notwithstanding explanation which can be offered after the event, there appears to be a substantial degree of indeterminacy in its level.

"It clearly owes much to the large volume of international money, increased by higher oil prices, seeking investment; and by the fact that, amid the many uncertainties in the international situation, this country's balance of payments on current account—unlike most others'—is little affected by changes in the price of oil.

"More recently it has been affected by the rapid fall in U.S. interest rates, in conjunction with the high level of nominal interest rates in this country which, to outside investors, have appeared attractive—more especially at a time when the exchange rate has demonstrated a tendency, on balance, to continue to rise."

'Tighter'

The commentary section of the bulletin discusses the question of whether greater monetary restraint in 1977-78 would have affected the outcome of the 1978-79 pay round.

"A tighter monetary stance might have limited the upswing in demand, and produced a weaker labour market and a somewhat lower level of activity than actually occurred. But other factors were also relevant; fiscal policy moved to a less restrictive stance in 1978, and a major element in the upswing in demand was the high rate of earnings increases compared with prices.

"Tighter policies would have tended to raise interest rates and to bring forward the increase in the exchange rate—which, apart from a direct moderating effect on prices, might have stiffened resistance to pay demands. These possible effects are difficult to quantify."

The bulletin notes that public-sector borrowing rose from 1 to 2 per cent of gross national product in the early 1970s to nearly 10 per cent in 1975-76, before declining to 5 per cent in 1979-80. The public-sector deficit—a better indicator of the fiscal position—shows a similar broad pattern.

The main counterpart to the change in the public-sector financial position has been financial accumulation by the personal sector.

The Bank also notes that net debt interest payments have risen to 4 per cent of gross national product. Looking at them as an approximation to inflation-adjusted figures, the public sector has moved from a deficit between 1973-74 and 1978-79 to a surplus now.

The bulletin then discusses the interactions between the public-sector balance and the financial position of other sectors. It says there are specific reasons for concern about the monetary implications of high public-sector borrowing.

The bulletin also says that the company-sector's financial position is likely to have deteriorated further since the beginning of this year, with the continuing rise in costs and with worsening competitiveness. The deterioration may have been greatest in the manufacturing sector.

There are now signs that companies are reacting by cutting back on capital spending, and there are also signs of a downturn in stockbuilding.

Bank of England Quarterly Bulletin, Vol. 20, No. 2, June, 1980. Price £4.00 per issue in the UK and between £4.50 and £5.75 for overseas purchases.

PUBLIC SECTOR BORROWING AND SECTORAL FINANCIAL BALANCES
Annual averages
Percentage of GNP at market prices

	1970/71-1972/73	1973/74-1975/76	1976/77-1978/79	1978/79	1979/80
Public sector borrowing requirement	−2.4	−8.4	−5.3	−5.6	−5.0
Public sector financial balance	−1.3	−6.5	−4.8	−4.8	−3.3
Company sector financial balance	0.5	−1.7	−0.9	−0.7	−2.3
Personal sector financial balance	1.6	5.6	5.7	6.5	6.4
Overseas sector financial balance	−0.8	2.2	0.4	0.1	0.8
Residual error	−0.1	0.3	−0.4	−1.1	−1.6
Net payments of debt interest by the public sector	3.2	3.6	3.9	4.0	4.0

Real pre-tax profits drop

THE REAL pre-tax profitability of British industry dropped sharply last year following a partial recovery between the mid-1970s and 1978.

This is shown by a supplementary note in the latest bulletin on profitability and company finance. This takes account of revised estimates of the data. Gross trading profits have been revised upwards by at least £1bn in each of the years 1973 to 1979 and, as a result, the pre-tax real rate of return on trading assets has been about one percentage point higher than previously estimated.

Nevertheless, the earlier conclusions about trends in profitability remain valid. The pre-tax real rate of return still shows a gentle downward trend during the 1960s and early 1970s followed by a sharp fall (to 5 per cent) in 1974-75 as inflation accelerated and capacity utilisation fell.

The modest recovery to 6 per cent in 1977 and 1978 reflected the easing of cost pressures. But real profitability was severely squeezed again last year as costs (principally of raw materials) accelerated and UK trading competitiveness was adversely affected by the appreciation of sterling. The pre-tax return last year was 4.1 per cent, the lowest so far. This compared with 8.7 per cent in 1970 and 9.3 per cent in 1972.

Another supplementary note in the bulletin presents revised and updated estimates of sectoral saving and financial balances adjusted for the effects of price inflation on net monetary assets and liabilities. This uses the methodology set out in the Bank's discussion paper by Mr. C. T. Taylor and Mr. A. R. Threadgold.

The personal sector, a very large holder of net monetary assets, has persistently suffered from the erosion of their real value. On the other hand, the public sector, as a net debtor, has benefited from the effects of inflation on its monetary liabilities, especially as the major part of public sector debt takes the form of fixed interest securities with fixed redemption values.

Oil exporting countries invest $1.8bn in sterling

OIL EXPORTING countries sharply increased their investments in sterling during the first quarter. This reflected an estimated 20 per cent increase in their revenues and a renewed preference for the pound as an international investment currency.

Figures contained in the Bank of England bulletin show that these countries increased their holdings of British Government stocks and Treasury bills as well as sterling deposits in the UK, by $1.8bn, or some $780m, during the first quarter. This was the largest increase in the oil states' sterling investments since the third quarter of 1974.

Inflow

This inflow of funds into the pound took the oil states' identified holdings of the main types of sterling investments to around £3.5bn, some 29 per cent above the end-1979 level.

The Bank estimates that during the first quarter these countries also increased additional sterling investments—holdings of equities, property, etc.—by around £40m.

The oil exporters also increased sharply their foreign currency deposits banked in London, by some $4.1bn compared with $3.5bn during the fourth quarter of 1979.

Bank deposits and other placements in the U.S. rose by only $3bn during the first quarter, compared with $7bn in the previous three months. This continues last year's trend towards a smaller proportion of investments being placed in the U.S.

Erratic

The Bank indicates that the build-up of oil exporters' currency deposits in London—the main Euromarket banking centre—has been erratic. It says that the increase in deposits during the final quarter of last year came entirely in the first half of that period. But it does not say whether the subsequent fall-off was due to the U.S. action to freeze Iran's overseas assets on November 14, which is known to have unsettled the oil states' investment behaviour.

The Bank also says that the oil exporters increased their foreign currency deposits in London by $6bn during the first seven weeks of 1980. "Subsequently, however, some funds were withdrawn, and the net increase for the quarter as a whole was $4bn."

The Bank says that by end-1979 about half of the oil-exporting countries' investments were placed in the UK and the U.S. The total identified deployed cash surplus was $79bn in 1979, giving a cumulative figure of $238bn for these states' identified overseas investment portfolio.

About 75 per cent of total overseas assets is denominated in the dollar, with the share denominated in sterling falling from 10 per cent in 1974 to about 5 per cent in 1979. At a price of $500 per ounce, the oil states' holdings of gold at the end of last year accounted for slightly over 10 per cent.

IDENTIFIED DEPLOYMENT OF OIL EXPORTERS' SURPLUSES (a)
$ billions

	1977	1978	1979 1st half	Q3	Q4	1980 Q1
United Kingdom						
British government stocks	—	−0.3	0.1	0.1	0.2	0.4
Treasury bills	−0.2	0.2	0.4	0.2	−0.6	0.6
Sterling deposits	0.3	0.2	0.3	0.4	0.7	0.8
Other sterling investments(c)	0.4	0.1	0.2	0.1	0.1	0.1
British government foreign currency bonds	0.2	—	—	—	—	—
Foreign currency deposits	3.1	−2.0	3.3	8.0	3.5	4.1
Other foreign currency borrowing	—	—	—	—	0.2	—
	3.8	−1.8	4.3	8.8	4.1	6.0
United States						
Treasury bonds and notes	4.3	−1.5	−1.9	0.3	0.5	2.1
Treasury bills	−0.9	−1.0	0.4	1.0	1.9	1.0
Bank deposits	0.4	0.8	0.5	0.7	3.7	−0.7
Other(c)	5.3	3.0	0.5	0.3	1.0	0.7
	9.1	1.3	−0.5	2.3	7.1	3.1
Other countries						
Bank deposits	7.5	5.0	1.1	9.2	6.1	
Special bilateral facilities and other investments	12.8	8.8	6.2	3.3	2.2	
	20.3	13.8	7.3	12.5	8.3	
I'national organisations	0.3	0.1	−0.3	−0.4	0.3	
Total	33.5	13.4	10.8	23.2	19.8	

(a) This table excludes liabilities arising from net borrowing and inward direct investments and also, on the assets side, changes in credit given for oil exports.

Companies reject current cost accounting system

A BANK of England survey of 40 comanies has found that a substantial number have no intention of using current cost accounting (CCA) for management purposes until CCA becomes the primary basis for company accounts. This is 40 companies has found that a deposite the fact that much of the official support for the development of the CCA accounting system has been designed to get companies to use the information for management purposes.

Of the 40 companies surveyed, the Bank found that only nine were using CCA data as a primary or at least a parallel method of management accounting. A further six companies used CCA data in a supplementary way, while another nine said they intended to produce CCA figures for management purposes with a reasonable time. However, no fewer than 16 of the survey companies said they had no plans in this area at all. They rely instead on traditional historic cost figures and other measures of performance.

The Bank of England does not accept that this is satisfactory, and comments: "Because current cost information gives the closest practicable indication of the real rate of return, it is clearly important that accounting data on this basis should be available to management both at holding company and divisional level."

Companies which do not intend to use CCA in the foreseeable future argue that financial objectives and targets, if set appropriately at historic cost, will ensure that operating management will aim to achieve a reasonable real return on assets employed and that historic cost accounts give a valid indication of the performance of an individual company or division when compared over time.

Among the measures mentioned by companies were: return on historic cost capital employed; gross profit as a percentage of turnover; profit before interest as a percentage of turnover; funds employed as a percentage of turnover; turnover, or value added, as a percentage of total payroll costs; stocks or working capital in relation to turnover; and capital expenditure as a percentage of sales.

The Bank of England found that companies' views on an acceptable overall return on capital vary between 20 and 30 per cent before interest on the historic cost accounting convention, and between 5 and 10 per cent of the CCA basis.

Heseltine bars pier demolition

MR. MICHAEL HESELTINE, Secretary of State for the Environment, has refused to allow the demolition of Clevedon Pier in Avon.

The Department said yesterday that Clevedon Pier, listed Grade II, "is an exceptionally important building warranting every effort to preserve it." It is built largely of rails from the disused South Wales railway and is unique in its design.

The pier is owned by Woodspring District Council whose application to demolish was considered at a public local inquiry in March.

Nation's net assets last year increased to £4.3bn

THE overall net asset position of the UK *vis-à-vis* the rest of the world increased to £4.3bn at the end of last year from a revised figure of £2.5bn at end-1978, according to a special article in the Bank bulletin on Britain's external assets and liabilities.

The rise in the net asset position was largely because of the increase in the price of gold in the official reserves. The market value of this gold rose by £2.4bn during 1979, and this was the main factor behind a swing in the public sector's external position to net assets of £1.1bn from net liabilities of £2.5bn.

This shift more than offset a reduction in the net external assets of the private sector, which fell back from £5.05bn in 1978 to £3.2bn.

Last year's 9 per cent appreciation of sterling against the dollar had a beneficial effect on the UK's external balance sheet. As around half of Britain's assets, but two thirds of its liabilities, are denominated in dollars, the rise of sterling reduced external liabilities by at least £1bn more than assets.

Adding to the effect of the rise in value of the reserves last year, official financing liabilities fell in 1979 as a result of repayments of official external debt. But excluding official financing items, the net external liabilities of the public sector rose by £700m last year, more than accounted for by very large purchases by overseas residents of British government stocks.

The deterioration in the external position of the privata sector last year was wholly dne to a sharp increase to £4.1bn in the net liability position of banks and commerce. Overseas sterling deposits with UK banks rose by £2.8bn or 48 per cent, and the banks' net foreign currency liabilities also increased by £1.0bn.

The book value of UK companies' direct investment abroad rose by 4.5 per cent, while that of foreign direct investment in the UK rose by 11 per cent. This redneed the UK'a nat asset position in this sector by £400m to £5.7bn.

However, UK banks' net investment overseas, as well as portfolio investment on foreign markets, showed quite sharp rises.

NET EXTERNAL ASSETS (+)/LIABILITIES (−); SUMMARY
£ billions

End-years	1976	1977	1978	1979
Investment	+9.6	+5.0	+5.5	+7.3
Banking and commercial	−0.5	−1.8	−0.5	−4.1
Net external assets (+)/liabilities(−): summary sector	+9.1	+3.2	+5.0	+3.2
Public sector (excluding reserves and other official financing)	−3.8	−5.7	−4.8	−5.5
Reserves and other official financing	−6.0	+1.1	+2.3	+6.6
Net external position of the public sector	−9.8	−4.6	−2.5	+1.1
Total net external position of the UK	−0.7	−1.4	+2.5	+4.3

APPOINTMENTS

Inmos fills four more posts

INMOS has made the following appointments: Mr. Ralph Bohannon becomes vice president of production, Mr. Fred Gnadinger vice president of technology, Mr. John Heightley vice president of memory products and Mr. Iann Barron, one of the founders of INMOS, and a director of INMOS International, has also been named a vice president and consultant to the corporation.

★

Mr. Ronald Williams has been appointed director of the OFFICE OF MANPOWER ECONOMICS in succession to Miss Jean Orr who is retiring at tha end of June.

★

Mr. Ronald Stewart-Brown has joined the London office of MMG, the international financial and management advisory group.

★

Mr. David Cole, a director of Thomson British Holdings, has been appointed chairman of THOMSON BOOKS in succession to Mr. Bryan Llewellyn, who is taking up other business activities but will continue as a consultant to the group.

★

HUTCHINSON states that Mr. R. A. A. Holt is retiring from the position of managing director and severing a long association with the Hutchinson companies on July 31. The duties of managing director of Hntchinson (the holding company of tha Hutchinson group) will be taken over by Mr. Charles Clark, who is already managing director of the book publishing division and will now become overall managing director. Mr. Jeremy Potter, a director of Hutchinson, has become deputy chairman.

★

Mr. Alexander Lockhart, sales manager of RHM—Bakeries (Northern), Stockport, has baen elected president of STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY.

★

Mr. Brian G. Hendley has been appointed a director of KRAUSHAR AND EASSIE, market development consultants.

★

DALGETY LIMITED states that Sir William Vines retires as a director on June 30. He has retired as chairman of Dalgety Australia and as a director of Dalgety New Zealand, but remains a director of Dalgety Australia. Mr. R. B. Vaughan has becoma chairman and managing director of Dalgety Australia.

★

THE MOTOR AGENTS ASSOCIATION has appointed Mr. Derek Kingston as deputy director of its industrial relations services department.

★

FULLER SMITH AND TURNER has appointed Mr. Michael Turner as wines and spirits director. He takes over that responsibility from managing director Mr. Anthony Fuller.

★

THE ROYAL BANK OF SCOTLAND has appointed Mr. James D. Paton as the new agent at its San Francisco agency and senior representative of its San Francisco representative office, from July 1.

★

Mr. J. B. Pashley has been appointed director and financial controller of SKETCHLEY TEXTILES (part of Sketchley Limited).

★

Mr. Basil Gwyn, chairman of the National Council of Building Material Producers, and until recently a director of Blue Circle Industries, will succeed Mr. Leo Russell as chairman of the CEMENT AND CONCRETE ASSOCIATION on July 1. Mr. Russell, who has been chairman of the Association since 1976, will continue as chairman of the Cement Makers Federation.

★

Mr. Derrick Croxon, managing director of Kimberley-Clark, manufacturers of soft tissue products, is president-elect 1980-81 of the BRITISH PAPER AND BOARD INDUSTRY FEDERATION.

★

Mr. Nick Rowe has joined LOWNDES-AJAX COMPUTER SERVICE as managing director. His appointment follows the acquisition of Lowndes-Ajax by tha CIG Group.

★

Mr. E. B. G. Clowes, chairman of Target Life Assurance, has been appointed to the board of HUME INVESTMENT COMPANY.

★

Mr. J. A. E. Bassett has been appointed an additional director of C. E. HEATH AND CO. (LATIN AMERICA).

★

Mr. Richard Haynes has been appointed group marketing and communications manager of FOSTER BROTHERS CLOTHING COMPANY, tha Solihull based group. He is also appointed marketing director of Foster Menswear, the group's main subsidiary.

★

SAVILLES has appointed Mr. Tony J. D. Mathews sales director. Savilles is a part of Brent Chemicals International.

Highest bidder likely to take Ferranti

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT has not yet decided what advice to give the National Enterprise Board on how to dispose of the board's 50 per cent shareholding in Ferranti, the electronics company, Sir Keith Joseph, the Industry Secretary, told the Commons last night.

Nevertheless, there was a strong hint in his speech that he favoured the holding being sold to the highest bidder.

"Rejecting the policy of the highest bidder in favour of some apparent alternative, will not in itself guarantee the continued independence of Ferranti," he declared.

"The one option we do rule out is the option of leaving Ferranti with the NEB. Our scope for securing any particular outcome rather than another, is limited. The degree to which any particular option will achieve any desired outcome is literally not known."

In a convoluted speech, Sir Keith contented himself with listing the options open to the Government, but stressed that whatever course was taken, it would be difficult to stop a single bidder eventually securing control of the 50 per cent stake.

He indicated, however, that a reference to the Monopolies and Mergers Commission might be one way of preventing this happening.

Sir Keith also emphasised that the Government would not allow the NEB holding to be sold to a foreign company. It was prepared to use its powers under the 1977 Industry Act to prevent control of the company passing into foreign ownership.

The House was debating a Labour motion which stated that any sale of the board's stake which threatened the well-being of the company and its 17,000 employees would be contrary to the national interest.

The motion was defeated by a Government majority of 67 (240-307).

The Government put down an amendment welcoming the sale as soon as practicable having regard to the interests of the company and the taxpayer.

Mr. John Silkin, Shadow Industry Secretary, said that his party believed the NEB holding should be preserved.

"Market forces have failed and will continue to fail," he said. "We on this side of the House believe that public investment should be expanded not curtailed.

"Suppose the best possible price were to come from one company, would the Government instruct the NEB to take that offer?" he asked.

"Suppose it were to come from a large combine like GEC whose name has been mentioned? Would the Government accept that as the best possible price?"

A takeover by a large combine would be an encouragement to closures.

Replying from the Government front bench, Sir Keith said that the Government favoured independence, dispersal of ownership, competition and freedom of choice. But it was not always easy to reconcile these objectives.

It had been suggested that it might be possible to sell half of the NEB assets and leave 25 per cent of the shares with the board. But ownership of 25 per cent by the NEB was no guarantee of the independence which the management and work force of the company were seeking.

Others had said that the NEB shares should be sold in two stages with six to nine months between the sales. But this, he argued, would simply prolong uncertainty.

A procedure which might become relevant was the degree to which any particular bid might be referred to the Monopolies and Mergers Commission. This would have to be assessed.

The Government had to bear in mind the interests of the taxpayer, the Ferranti family which owned 19 per cent of the shares, and the 31 per cent of shares which was owned by others, including individuals and institutions.

He listd possible options:—

1 —The Government could invite the NEB to disperse 50 per cent of the shares widely by share offer. Inevitably that would have to be at a lower price than the current market level. One advantage would be that an advantageous offer of shares could be made to the employees of the company. But the disadvantage was that there would be more opportunity for a single bidder to acquire control.

2—The NEB could be invited to place the shares without conditions. This would again inevitably be below the market price and the taxpayer would get less than if bids were considered for the company. The result would be that a bidder would almost certainly come along and offer for the shares and the company's independence would not have been preserved. So there was no particular advantage to this course.

3—If the NEB placed shares subject to conditions and a single institution or groups of institutions bought the holding, then—under Stock Exchange rules—they would have to bid for the remaining 31 per cent owned by others. This again would not guarantee the independence of the company.

"The more rigid the conditions the Government advised the NEB to impose, the lower the price would tend to be and the lower the price the more unhappy the 31 per cent of shareholders and the more scope there would be for bidders," he concluded.

Labour Right wing claims 'sell out'

By Richard Evans, Lobby Editor

THE LABOUR PARTY'S tortured agonising over the recommendations of its Commission of Inquiry increased in tempo yesterday, with a claim from the Right-wing Campaign for Labour Victory that there had been "a complete sell out" to the Left.

The pressure group, backed by Right wing MPs led by Mr. William Rodgers, Opposition Defence spokesman, claimed in a statement that the moderates had been outflanked on the three key issues of election of the leader, re-selection of MPs and the drafting of the manifesto.

In contrast, the Rank and File Mobilising Committee for Labour Democracy, a Left wing pressure group, supported by friends of Mr. Anthony Wedgwood Benn, has written to all constituency Labour Parties, calling for the rights and influence of activities to be maintained at this year's party conference following the unsatisfactory commission recommendations.

The two statements illustrate the sharply different interpretations being made by the two wings of the party over the inquiry decisions. The scene is set for a bruising conflict in the run-up to the October Blackpool conference.

The CLV declared that there should be no misunderstanding about the decisions taken last weekend.

"What we have seen is not an honourable compromise, it is a complete sell out. On all three major issues the moderate position has been defeated."

The statement claims that Left-wingers on the commission have played a clever game by standing out for a more extremist position. This has led the other members of the inquiry into proposing a so-called compromise which would be put to the annual conference, but which would be unacceptable to most members of the Labour Party.

The CLV urges the trade unions to take up the issue of reform of the National Executive Committee as a matter of urgency. Until there was a representative NEC the party would suffer endless running battles, year after year, the statement argues.

Soames warning on pay

BY IVOR OWEN

THE LEVEL of salary increases for civil servants in the next pay round will be determined by what the nation can afford—as reflected in the cash limits set by the Government—Lord Soames, Minister for the Civil Service, indicated in the House of Lords last night.

He called for a new approach to pay bargaining in both the public and private sectors, with settlements no longer linked with the level of inflation but the employer's capacity to pay.

Lord Soames, who is also Lord President of the Council and Leader of the Lords, virtually ruled out earlier suggestions that the Government intended to wind up the Civil Service Pay Research Unit.

But he insisted that means must be found to reconcile the awards stemming from the unit's work with the cash limits set by the Government.

Lord Soames, speaking in the wake of the announcement of the latest figures showing average earnings running at 21.2 per cent above the level of a year ago, repeatedly underlined the Government's concern to secure more realistic settlements in the next pay round.

He saw the fact that the unusually large awards resulting from the "catching up" operations in the public sector were now in the past, as a hopeful factor as the opening of the new payment approached.

Lord Soames emphasised that a more responsible attitude to pay bargaining was essential if the country was to "pull through its difficulties."

He complained that the effect of the catching up process on the level of settlements in the public sector in the current pay round had been misrepresented by the media, and led to unfair criticism from private sector employers.

While it was right to subject the Pay Research Unit to a critical appraisal — and to consider whether new procedures should be introduced — it was unfortunate that this should have been interpreted in some quarters as a criticism of the Civil Service itself.

"The Civil Service is beginning to suffer from a lowering of morale which is wrong and should not be happening," Lord Soames declared.

He maintained that those, like himself, who had had the opportunity to make comparisons with the Civil Service of other nations while working in international organisations could not fail to appreciate how well Britain was served by its Civil Service.

Lord Soames repeatedly assured the House that the Government's concern to secure more realistic settlements in the next pay round was not confined to the public sector.

In the private sector, he said, employers and unions must heed what each company could afford to pay, taking into account the Government's determination to bring the money supply under control.

Failure to do so would mean a squeeze on profits and investment and fewer jobs either in the short term or the long run.

In the public sector, Lord Soames promised, the Government would impose similar financial discipline through the use of cash limits

Doubts on future of Civil Service Department

By Philip Bassett, Labour Staff

SIR ROBERT ARMSTRONG, Secretary to the Cabinet, has told the Civil Service Department that its work ought to be taken over by the Treasury. He also yesterday laid out the main strands of Government thinking on the future role of the CSD, which could lead to major changes in the responsibilities of the Treasury.

Though Sir Robert has made it clear in Whitehall that it is his personal view that the CSD's work ought to be passed over to the Treasury, it is unlikely that his views would be out of line with those of the Prime Minister.

Sir Robert's private suggestions give firm support to Whitehall speculation that the CSD is to be abolished because of the Government's dissatisfaction over its failure to pursue rigorously enough the goal of Civil Service efficiency.

The switching of the CSD's function of controlling manpower levels back to the Treasury—the CSD was created mainly from the old pay division of the Treasury in 1968 following a report of the Fulton Committee on the Civil Service—would add the much greater force of the Treasury's control and monitoring of departmental budgets to the Government's drive to reduce civil service overmanning and increases its efficiency.

Thirdly, the manpower and management services division of the CSD could be brought back into the Treasury, leaving the rest of the CSD's functions to a public service commission, which might not necessarily be headed by a Cabinet Minister.

Finally, the Treasury could re-embrace the CSD's present functions. He said this would re-create "a very considerable concentration of power for the Treasury, particularly at Ministerial level."

While he said that this option would have the disadvantage of losing the gains of the post-Fulton split of the Treasury's work, the whole tenor of his evidence to the committee was that whatever gains there had been since the split they were now of very little value.

He thought the post of Head of the Home Civil Service, presently held by Sir Ian Bancroft, who along with Sir Douglas Wass, Permanent Secretary to the Treasury, will next month give evidence to the committee on the role of the CSD, need not necessarily be retained.

Sir Robert told a sub-committee of the Commons Treasury and Civil Service Committee that the present role of the CSD was unsatisfactory.

Though he insisted that his statements reflected only his personal views, it is the first time such a senior civil servant has spoken publicly on the future role of the CSD.

He said the CSD "had clearly exhausted the immediate post-Fulton momentum." He referred a number of times to his belief that questions of man management in the service had ultimately to be decided by departmental Ministers rather than by any central body which had no departmental financial control.

He put forward four options for the department's future.

Firstly, the present position could be maintained, but with greater co-ordination between the Treasury and the CSD, and greater CSD flexibility. This seemed to be his least favoured choice.

Secondly, the manpower and public expenditure responsibilities of both the Treasury and the CSD could be peeled away from both departments and joined together to form a new Department of Expenditure and Manpower, or Bureau of the Budget, though he said this would have the disadvantage of removing the control of public spending from the department with responsibility for macro-economic management.

UK to get EEC rebate in cash

BY PHILIP RAWSTORNE

BRITAIN will be paid all its rebate on the contribution to the EEC's 1980 budget in cash, Mr. Nigel Lawson, Financial Secretary to the Treasury, told the Commons yesterday.

The bulk of the money due would be paid in the first quarter of 1981, he said.

But, under pressure from Mr. Denis Healey, the former Chancellor, Mr. Lawson said that it was impossible to estimate how much the public sector borrowing requirement would be reduced by the refund this year.

Replying to questions from Mr. Jack Straw (L., Blackburn), Mr. Lawson said that part of the rebate would be in the form of Community assistance to help finance Government programmes rather than specific projects.

He assured Mr. Nigel Spearing (L., Newham S): "These are our programmes, not Community programmes, in so far as the regional fund is a Community programme."

Mr. Lawson was repeatedly pressed by Mr. Healey about the Prime Minister's pledge to use the refunds to cut interest rates by reducing the PSBR.

If all the rebate for 1980 was not going to be paid this year and some of it was to be used to finance various programmes, Mr. Healey suggested it could have little or no impact on interest rates.

"It is not customary to publish any interim figures for the PSBR," Mr. Lawson retorted.

But by reducing the PSBR, a downward pressure would be exerted on interest rates, he added.

Mr. Healey accused him of "dodging and weaving" — the fact was that the reduction in the PSBR because of the rebate would be far less than the increase caused by Government action since the Budget, he declared.

"It is impossible to say at this stage by how much the PSBR will be reduced," Mr. Lawson replied.

Walker attacked over fish policy

MR. PETER WALKER, Minister of Agriculture, is on test over the Common Market fisheries policy, Mr. Roy Mason, Labour's agriculture spokesman, told the Commons yesterday.

Mr. Mason said that on farm prices Mr. Walker had been "ditched by the Foreign Secretary and Prime Minister in what is now seen as a rigged budget deal."

"You are on test in the common fisheries policy," he told Mr. Walker, and demanded: "Will you assure the House that there has been no deal on fish like there was on agriculture prices?"

He called for Mr. Walker to "come clean" on the timing of fisheries policy and on whether the whole budget deal would be off if no agreement was reached on fish by January, 1981.

Mr. Mason said the New Zealanders were the "losers of the Sheepmeat deal with the French" and urged Mr. Walker to say whether he would stand by them if they refused to curb lump exports to Britain and oppose the cutback of total butter exports from 115,000 tons to a proposed 90,000 tons.

Mr. Walker, who had made a statement on meetings of the Fisheries and Agriculture Councils in Luxembourg on Monday and Tuesday, hit back strongly.

There was no link between agreement reached on the EEC budget and negotiations on fisheries policy, he said. The Government had inherited a position from Labour where there was no agreement for access of New Zealand dairy products to Europe beyond December, 1980.

"I am shocked that you will speak up for New Zealand at all," he said.

"The Labour Party is alone in Europe in believing that the deal struck by Britain was not an exceedingly good one."

Mr. Walker said he personally believed that the negotiations on sheepmeat and dairy products would result in a satisfactory agreement for New Zealand.

He told Liberal spokesman Mr. Jo Grimond, who asked whether any progress had been made on the dumping of fish, that an announcement would soon be made concerning imports.

Replying to further questions, Mr. Walker said he would be having a further meeting with representatives of the fishing industry on July 3 to make an assessment of its financial and economic problems.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.[illegible]	6	6	3	10	—	—	F.295
ABN C	F.310	10	2.60	—	—	—	—	"
AKZ C	F.[illegible]	150	0.60	13	1.70	42	3.20	F.24.30
AKZ C	F.27.[illegible]	—	—	35	0.70	—	—	"
AKZ P	F.[illegible]	—	—	12	1.30	—	—	"
AKZ P	F.27.[illegible]	12	3	—	—	—	—	"
ARB C	F.[illegible]	16	6.80	—	—	—	—	F.65.60
ARB P	F.[illegible]	32	2.70	5	3.20	—	—	"
EK C	[illegible]	15	[illegible]	—	—	—	—	—
HEI C	F.[illegible]	10	2.20	—	—	—	—	F59.40
HEI C	F.[illegible]	—	—	3	3	—	—	"
HO C	F.17.[illegible]	—	—	20	1.20	—	—	F15.70
IBM C	[illegible]	6	6	—	—	—	—	[illegible]
IBM C	[illegible]	41	1¾	6	3⅛	—	—	"
IBM C	[illegible]	—	—	45	1⅝	—	—	"
KLM C	F.60	45	3.50	—	—	—	—	F.61.20
KLM C	F.70	5	0.60	6	2.60	1	4.20	"
KLM C	F.80	—	—	56	1.10	—	—	"
KLM P	F.60	—	—	10	5	—	—	"
KLM P	F.70	—	—	2	10.60	—	—	"
KLM P	F.80	13	18.70	—	—	—	—	"
NAT C	F.104.50	10	2.20	—	—	—	—	F.114.20
NAT C	F.109.10	48	6.40	—	—	—	—	"
NN C	F.110	—	—	10	6.70	—	—	"
NN C	F.120	—	—	80	2.20	7	4.50	"
NN P	F.110	2	1	—	—	—	—	"
PET C	Fr.5000	2	400	—	—	—	—	Fr.5220
PET P	Fr.5500	5	80	—	—	—	—	"
PET P	Fr.5000	5	20	—	—	—	—	"
PHI P	F.17.50	—	—	12	1.60	—	—	F.18
PHI C	F.20	54	0.10	30	0.40	30	0.90	"
PHI C	F.20	—	—	—	—	15	2.30	"
PRD C	$20	5	4⅞	—	—	—	—	$24¼
PRD C	$25	5	⅞	—	—	10	3⅛	"
RD P	F.150	13	15	—	—	—	—	F.168.20
RD C	F.160	38	8.90	97	11	—	—	"
RD C	F.170	315	2.60	132	4.60	25	7	"
RD P	F.140	—	—	7	0.70	—	—	"
RD P	F.145	—	—	20	1.50	—	—	"
RD P	F.150	5	0.30	17	2.50	—	—	"
RD P	F.160	134	1.20	59	5	—	—	"
RD P	F.170	45	4.80	55	10.90	3	11.50	"
UNI C	F.110	—	—	1	7	—	—	F.115
UNI C	F.115	6	2.10	35	5	—	—	"
UNI C	F.120	12	0.50	23	2.40	3	3.50	"
UNI P	F.110	50	0.70	5	1.60	—	—	"
UNI P	F.115	—	—	20	3.50	—	—	"
		Aug.		Nov.		Feb.		
BAS C	DM.150	155	2	10	4.30	—	—	DM147.40
MMW C	DM.110	—	—	7	10	—	—	DM114.50
MMW C	DM.120	5	2	—	—	—	—	"
SIE C	DM250.50	10	40	—	—	—	—	DM268.50
SIE C	DM270.50	5	6.60	—	—	—	—	"
VEB C	DM.140	5	6.50	5	8.30	—	—	DM141.80
VEB C	DM.150	5	1.50	—	—	—	—	"
VW C	DM.190	—	—	6	3	—	—	DM182.50

TOTAL VOLUME IN CONTRACTS 2272

C=Call P=Put

Benn turnabout on PWRs

BY MAURICE SAMUELSON

MR. ANTHONY WEDGWOOD BENN, who as Energy Secretary once said Britain should develop the option to build Pressurised Water Reactors (PWRs), yesterday came out as completely opposed to them and predicted that they would never be built in Britain.

Although he insisted that Britain must maintain its nuclear industry, he added that the development of alternative sources of energy, together with present fossil fuels, might eventually make it possible to do without nuclear power.

Mr. Wedgwood Benn told the Commons Select Committee on Energy he was opposed to the Government's commitment to a crash programme for nuclear power stations which might be based on U.S.-designed PWRs as opposed to the Advanced Gas Cooled Reactors (AGRs), in which Britain had most experience.

He was against a crash nuclear programme because of lower energy consumption and forecasts and the dangers of storing nuclear waste. He opposed PWRs because of fears about their safety, heightened by the accident at Harrisburg, in the U.S.

Strike action looms at ICI as negotiations break up

BY PAULINE CLARK AND NICK GARNETT

ABOUT 22,000 white-collar staff in ICI will be told by their unions today to start industrial action following the breakdown of pay talks last night.

The call for action "which will include strikes" will come from the Association of Scientific, Technical and Managerial Staffs and TASS, the white-collar section of the Amalgamated Union of Engineering Workers, only a day after unions representing manual workers in the company announced acceptance of their latest pay offer.

The seven signatory unions in the manual workers' pay negotiations yesterday accepted a 16 per cent increase—similar to the offer made to staff—after the company said it was not prepared to concede further improvements because of a difficult business position.

Mr Roger Lyons, national officer representing ICI staff in ASTMS, said yesterday however that there had been "total and unanimous" rejection of the offer by the staff union negotiators.

This followed a four-to-one rejection of the offer in an ASTMS ballot of members conducted last week. The offer to technical, engineering, supervisory, administrative and computer staff in the company would have raised the salary range to between £4,000 and £8,500 a year, he said.

Mr Lyons said a delegates meeting of staff would take place on June 28 to finalise strike plans, but some action was expected to start immediately. "There is great anger among the staff—the worst in 15 years," he said.

ICI said yesterday it calculated the settlement covering 50,000 manual workers which runs from this month was worth 19.5 per cent, although union leaders say it is worth at least 21 per cent.

The deal gives an average 16 per cent increase on basic salaries on top of a 3 per cent interim increase made in January to compensate for inflation.

The present 40-hour week is being cut by one hour from June next year with another one hour reduction in 1983 and a further half hour in 1985.

CU awards its staff 18%-22% increases

BY NICK GARNETT, LABOUR STAFF

THE Commercial Union insurance company has agreed a pay deal for its 7,500 clerical and junior managerial grades giving increases of 18-22 per cent with a further 5 per cent in December.

The settlement, which runs from June 1, follows an interim 5 per cent payment made in November, 1979, supplementing last year's main agreement of 12 to 15 per cent.

The company said yesterday that as a result of the deal concluded with the Commercial Union staff association, its pay bill for the 12 months from this month would rise by 23.5 per cent.

The settlement was designed to restore partly eroded differentials for insurance staff whose pay had failed to keep up fully with the rate of inflation over the past few years.

Senior managers at the company have also agreed a pay deal providing increases of 22.25-23 per cent together with the 5 per cent increment in December.

Mr. John Smith, general secretary of the Commercial Union staff association which represents 5,500 clerical and junior managerial staff, said the agreement was higher than the general level of settlements in insurance.

He said, however, that the association might wish to return for extra money before December if inflation kept at the present level.

The agreement provides a new rate of £2,277 for the most junior filing clerk rising to about £14,600 for sales or claim managers in large branches who are immediately below the salary scale of branch and senior head office managers.

These figures exclude the inner London weighting payment of £816 which will be renegotiated next month.

The payment made after 25 years' service will be doubled to £140. The current one-off payment of £250 after 35 years service is being replaced by one worth 5 per cent of salary at a minimum of £400.

Industrial action over pay by members of the Association of Scientific, Technical and Managerial Staffs within the Legal and General has now spread to most of the company's 64 offices.

The company said yesterday that the action, which includes a ban on the use of the telephone for general insurance work, had begun to slow up its business.

Shop stewards are losing influence, says Prior

BY CHRISTIAN TYLER, LABOUR EDITOR

MILITANT SHOP stewards are losing their influence in Britain, Mr. James Prior, Employment Secretary, told an audience of U.S. businessmen yesterday.

He said management was developing a new authority, and unions were responding with a new realism. Power was moving back to full-time union officials as managements "called the bluff" of the militants. This was welcome to the vast majority of full-time officials, particularly at regional level.

"They won't ever say it, but they know that a resurgence of management that clearly knows what it is about is the best support they can have against the militants," he told the Business and Industrial Community of South Carolina at South Carolina University.

This change was not just the result of recession and fear of unemployment, Mr. Prior suggested, but probably because the "facts of life" were being brought home to companies. Managers with their "new self-confidence" were more determined to put the facts across.

The Employment Secretary said that pressure for industrial democracy had also weakened. "Employees, it turns out, don't really want to be pulled into detailed decision-making: rather they want to be convinced that those in managerial authority are up to their job."

TUC yearbook inquiry

BY OUR LABOUR STAFF

THE TUC said yesterday it would be asking the publisher of its industrial relations yearbook about claims that he and four associates made large sums of money selling advertising space and used high-pressure salesmanship on companies who advertised or contributed.

A statement from Congress House, in reply to a detailed report in yesterday's Daily Express, said: "As acknowledged by the Daily Express, the TUC had already taken action to initiate inquiries into the allegations they have made."

Letters have been sent to 49 companies quoted in the directory as having given "assistance." These letters, said the TUC, set out the arrangements for publication but were not an apology.

The TUC said it would be asking the publisher, Mr. Dennis Moore, an Australian businessman, for his detailed comments on the allegations. Its chief spokesman refused to add in any way to the short statement.

The yearbook of industry and services for 1979-80 contains 424 pages of names and addresses of organisations and other information that might be useful for people involved with industrial relations. It is also packed with advertisements.

According to the Express report, the £10 directory raised some £17,000 for the TUC last year and as much as £170,000 minus costs for the publisher, who struck a deal giving the TUC 10 per cent of the revenue.

The CBI confirmed last night that it had had a number of complaints from members approached by the publishers in August 1978 about the first issue. They complained about "high-pressure salesmanship." "The TUC assured us that high-powered salesmanship would not continue and we advised our members that it was for individual companies to decide whether to advertise."

There had been no complaints ahead of publication of the second issue, which has not yet appeared.

Payment strikes continue

BY OUR LABOUR STAFF

STRIKING ELECTRICIANS at Metro-Cammell, the Birmingham rail-car manufacturer, meet today to consider their next move in a three-week-old dispute over bonus payments.

The strike by 150 electricians caused the layoff last Friday of the rest of the 15,000-strong workforce because of a buildup of unfinished cars.

Yesterday, at Vosper Thorneycroft's Southampton shipbuilding yard, a mass meeting of strikers decided to stay out until at least tomorrow, when another mass meeting will be held, following failure of talks to solve a dispute.

The dispute is over payments to about 20 plumbers transferred to the yard under a national agreement between British Shipbuilders and the Confederation of Shipbuilding and Engineering Unions.

The company, a British Shipbuilding subsidiary, said yesterday that about 1,700 of its 2,500 workforce were on strike.

Journalists at IPC face new conflict

By John Lloyd, Labour Correspondent

THE long-running battle over journalists' pay at the International Publishing Corporation (IPC) swerved towards outright confrontation again yesterday as a mass meeting of the 1,400 journalists in the company's magazine, business press and book publishing divisions rejected the company's latest offer and empowered the National Union of Journalists' chapel (office branch) committee to take selective industrial action.

The company has raised its offer from 17 per cent to 19.1 per cent for lower grades, and 18.1 per cent for higher grades. It has made proposals on conditions of work and subsidiary benefits.

The chapel committee is to seek a further meeting with IPC management before deciding whether to call for selective action. Any action might include one-day strikes, mandatory chapel meetings, and a ban on overtime and freelance work.

Both sides are thus back in the position they held in April, when pay talks broke down, a one-day strike was called, and the journalists were dismissed for five weeks while talks continued between union and management, first on pay, then on the conditions for the journalists' reinstatement.

A formula on back pay was provisionally agreed this month, although the details remain to be established in talks at the Advisory, Conciliation and Arbitration Service, which continue today.

However, the substantive issue of pay has moved forward very little since work was resumed.

IPC has insisted that it cannot afford to increase its offer further, and says that the journalists' claim, including a reduction in hours and various fringe benefits, would mean a real increase of about 35 per cent.

Print union merger 'is closer'

Financial Times Reporter

MR. LEN MURRAY, TUC General Secretary, left a meeting of the governing Council of the National Society of Operative Printers, Graphical and Media Personnel (Natsopa) yesterday, satisfied that his ambition of a single union for the print industry is a step nearer.

Delegates to the conference authorised their leaders to go ahead immediately with plans for a merger with the Society of Graphical and Allied Trades (Sogat), which has 203,000 members to Natsopa's 55,000.

Optimism was felt that two of the main stumblingblocks to the proposed amalgamation could be overcome. Those are over the principles of whether full-time officers should be subject to periodic re-election and whether the executive should be composed wholly of lay members.

Earlier, Mr. Murray had warned the delegates that the introduction of new technology in printing makes union mergers more imperative than ever. New technology was tending to blur traditional demarcation lines, so that more and more disputes about print industry manning and spheres of influence had been coming before the TUC.

"If we maintain the present pattern of trade union structure in the printing industry, and seek to compel employers to fit the new technology to that structure the price we will pay is the loss of job opportunities.

Mr. Owen O'Brien, Natsopa's general secretary, said afterwards: "The amalgamation with Sogat is now our short-term aim, and our long-term aim is a single union for the industry."

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

UK-U.S. hovercraft project

A HOVERBARGE drilling rig with paddle wheel propulsion is planned to enter service next year in the U.S. south-western "wetlands" (bayou country in Louisiana and the coast along to Texas) as one of a series of ventures planned by a new international corporation which draws strongly on British design engineering and operating experience in the hovercraft field.

Known as the Wetlands Drill Barge System, it will be designed in the UK and built in the U.S., and a number of key equipment items, such as the skirt and fans, will also be designed and made in Britain, says Phoenix Hovercraft Corporation, 5, Grosvenor Square, Southampton (0703 36430).

Development of hovercraft drilling barges is expected to open up many potentially rich hydrocarbon payzone areas where inter-tidal or swamp conditions make the use of conventional drilling equipment difficult or impossible.

In the U.S., for example, exploration work in many of the south-western wetlands areas is severely restricted by the problem of transporting drilling equipment to site. Access to these areas is often made difficult by the need to dredge canals or construct, fill and board roads. These take time and limit flexibility.

The problems can be overcome by using hoverbarge drill systems whose completely equipped drill rigs are transported direct to location without requiring access by specially dredged waterways or built roads.

Promising to create little environmental or ecological disturbance, the barges hover at a height of 4 ft and exert a ground pressure of only 1½ pounds a square inch—by comparison, a man exerts a pressure of 5-10 psi.

Systems proposed for this exercise consist of four barges. First is a drill barge, 180 x 55 x 12 ft, with equipment capable of drilling to 30,000 ft. At each end and around the slot is a special rubberised skirt seal for retaining the air.

Two service vessels, each 180 x 53 x 10 feet, act as independent hover supply vessels and lock into either side of the drill barge. In this position, the complete unit hovers from the inland waterways into the wetlands.

Once the drill barge is on site, a quarters barge is brought by the hover service vessels and dropped alongside. The hover service vessels are propelled by giant paddle wheels for complete amphibious movement.

Phoenix Hovercraft Corporation (established in Houston, Texas) has been formed by Phoenix Management Corporation, which—through Phoenix Seadrill—has already established itself in the specialist field of shallow-water drilling with the Big Foot Class of jack-up drilling platforms.

Although the hovercraft principle is well established in Europe, it has taken time to gain acceptance in the U.S. and the company, in combining its resources with British expertise, feels particularly confident now in launching the new venture on an international basis.

● INSTRUMENTS

Measures waste water flow

INCREASINGLY, organisations that drain effluents into sewers or other outlets are having to pay accordingly and there are EEC requirements, albeit modified and intepreted by national legislation (the Water Act 1974 in the U.K. for example).

Thus the need arises to measure waste water flows reliably and accurately and Quantum Sciences of Cheltenham has introduced a suitable instrument, QSFM6.

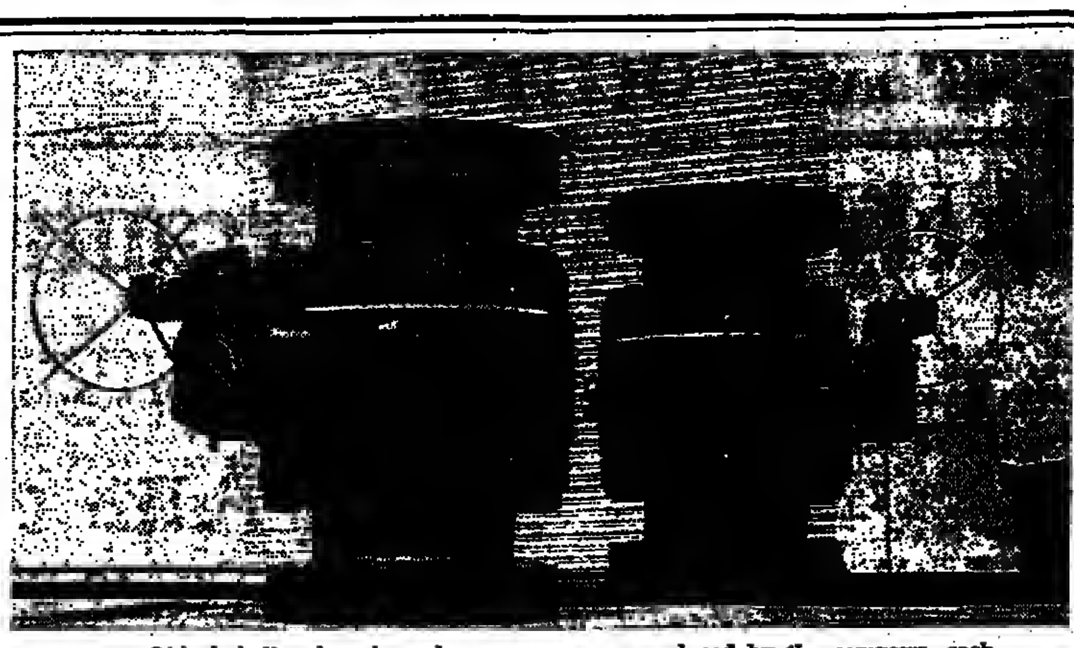
An early market is expected to arise in the Mediterranean countries where there have been international agreements to reduce sea pollution levels.

This equipment measures flows in partially filled pipes and open channels by means of a probe electrically connected to a portable electronics/display box. The probe measures flow by measuring the depth change on the downstream side when a known obstruction is placed in the fluid. It consists of 20 vertically staggered contacts that result in an accuracy of flow measurement of ±2.5 per cent. Calibration takes a few seconds and involves entry of a three-digit number, derived from a handbook, on thumbwheel switches.

The instrument indicates flow rate and total flow directly on liquid crystal displays on the front panel and the maximum flow that has been reached can be seen by pressing a button. In addition flow rate limits may be set and the unit will then count the number of times the limit has been exceeded. Rates in terms of litres per hour or per day can be switch selected for display.

The usual current signals for driving recorders are provided, as are relay closures that will activate a sampler (for analysis purposes) on a volume or time basis.

More from the company at 27 St. George's Road, Cheltenham, Glos. GL50 3TD (0242 33220).



These two 24-inch ball valves have been produced by Keystone Cannon of Leven, Fife, Scotland, for the Sonatrach gas pipeline now under construction in Algeria. The valves are the largest of the type produced by the company, each weighing 12 tons and having overall dimensions of 77¾ ins by 48 ins. Principal materials used were carbon steel and stainless steel.

● SECURITY

Protecting Heathrow's fuel store

NEXT MONTH Automation and Technical Services of Haywards Heath is to provide one of its model 1100 frequency shift keying equipments to protect all the long haul fuel hydrant stands connected to the storage and pumping depot at Heathrow Airport.

There will be dual communications circuits between hydrants and pumping station with twin transmitters and receivers feeding different tones down each. Thus, the integrity of each can be checked continuously and independently.

In the event of an equipment fault being detected the carrier frequency is shifted down by 30 Hz, operating an alarm panel at the depot. In an emergency the manual operation of any of the break-glass devices adjacent to each hydrant shifts the carrier frequency up by 30 Hz, immediately shutting down all fuel pumps at the airport.

Aviation division of BP Oil, which is installing the equipment on behalf of all major suppliers at the airport, expect faults to be rectified much more quickly — a matter of some significance financially when pumping 7,000 gallons/min. at current prices.

ATS is at Bridge Road, Haywards Heath, Sussex RH16 1TY (0444 52377).

● HANDLING

Copes with abrasive slurries

A ROTARY disc pump designed to move with maximum efficiency the abrasive and highly viscous slurries usually transported by screw conveyors has been introduced by Eureka Pumps International Inc., Hesketh House, Portman Square, London, W.1 (01-486 5877).

Smooth flow combined with minimum turbulence is claimed to be an integral design feature, resulting in greater durability, less down time and low maintenance costs. Since there are no impacting impeller surfaces to disturb the flow, cavitation—air pockets—is substantially reduced.

The disc design is the result of two patents by Schneider and Tesla. Development over the past five years has made the pump a potential replacement for conventional equipment in moving viscous and abrasive slurries.

The slurry is fed into the pump through the centre of the rotor and impelled centrifugally by a series of parallel discs, which can be of stainless steel or ceramic coated steel. Dynamic flow pattern is created by the friction of the fluid on the spinning discs. There is little "slinging action" on the fluid, it is claimed, and therefore little wear on the discs or the cast steel housing.

The "building block" concept of the rotor allows the size of pump to move different materials by varying the number of rotating discs or spacing them to suit the characteristics of a particular material. The pump is available in three standard sizes—3 inch, 4 and 6 inch.

● COMPONENTS

New electronic system displays

CLAIM MADE by Finnish company Lohja Corporation is that following six years of research, it will become the first to commercially offer display components based on electro-luminescence.

Oy Lohja Ab is a diversified industrial company with a turnover of $300m and is well known for colour television receivers, in which it has achieved sales of $70m, mostly exported.

The new devices, to be marketed under the name Finlux, will be mass-produced in Finland "during the coming year" and the main emphasis will be on supplying the components to international electronics companies.

At the heart of the manufacturing technique will be a new thin film fabrication method the company calls atomic layer epitaxy, which involves "growing" the film by depositing separate layers of atoms on a substrate. The technique has already been patented in 26 countries.

The displays are composed of films less than one thousandth of a millimetre thick, of an undisclosed material, formed on a glass substrate. The films emit light uniformly when a voltage (undisclosed but described as "rather high") is applied to them, and they can be deposited to produce alpha, numeric or graphic symbols.

Resulting yellow display on a black background is said to be visible in high ambient lighting conditions and have particularly good contrast. There is no flicker and the angle of viewing can be high, giving good off-axis visibility. Although no dimensions have been revealed, the displays are said to be particularly thin, making their incorporation into electronic systems that much easier.

Likely applications will occur in computer terminals, industrial instruments, car dashboards, clocks and shop scales, as well as large scale units at railway stations and airports.

More from Oy Lohja AB Electronics, Ahertajantie 3, 02100 Espoo 10, Finland.

● SERVICES

Inspection and testing

SOLUS SCHALL is offering from its Matlock training centre various non-destructive testing (NDT) inspection courses to personnel in the oil and gas and petrochemical industries.

The courses available, ranging from three to 10-days duration, include welding inspection for pipelines and pressure vessels, radiography, ultrasonics and underwater Lloyds approval.

Solus Schall, Annabelle House, 28 Staines Road, Hounslow, Middlesex. 01-572 4221.

No strain on big motors

SMOOTH, STEPLESS starting for AC induction motors in the 50 to 600 horsepower range can be obtained with solid-state reduced voltage starters from Cutler-Hammer Europa, Igranic Works, Bedford MK42 9LH (0234-67433).

Advantages of using the device, which is designated A415, include controllable current demand during starting, extension of machine life through reduction of mechanical shock during acceleration, and where the acceleration rate has to be controlled, elmination of the need for the more expensive adjustable speed drives. It is also claimed that the starter reduces the cost, size and maintenance requirements of power transmission equipment by removing the need for clutches, brakes and slip couplings.

There are a number of plug-in modules to provide current limit adjustment from 150 to 425 per cent of rated current during run-up, overload protection (trip after six seconds at 600 per cent current) and monitoring of the rectifier conditions. Optional modules can give adjustment of acceleration time and other facilities.

Motor speed controller agreement

INDUCTION MOTOR speed control units made by Eldurail in The Netherlands, applicable to motors in the one to 300 kilowatt range, are to be made available in the UK by Manchester Armature under a recently concluded agreement.

Versions of these units have been extensively used in Dutch industry since 1973 and in the last five years been selling well in the Swiss, German and French markets.

There are two basic versions: the FC-1-CL has front panel control of speed in one direction only while at the rear are master controls for frequency, slip correction and IR compensation, selection of motor size, and the selection of current and time conditions for acceleration and retardation. Another model, FC-3-C1 is similar but allows speed control in both directions.

All the units can be controlled from a remote location.

More from Manchester Armature, Hadfield Street, Oldham OL8 3BY (061-652 1421,

Diesel engine filters

LISTER has launched its own brand of air, oil and fuel filter elements for the company's entire range of 2.5 to 250 bhp diesel engines.

It was decided to carry out a stringent quality and performance survey after reports from the company's world dealer network of engine problems which had been traced back to faulty or poor filters. The problems were found to involve filters not approved by Listers, but fitted by users to try to cut costs.

One of the latest incidents reported to Listers involved an engine which had completely seized up. A non-approved oil filter had ruptured, causing a heavy oil loss which, in turn, had damaged the internal moving parts of the engine.

This has prompted the company to point out that major problems experienced by some customers following the use of spurious filter elements has been very much more costly to them than the marginal price difference in choosing Lister filters.

Hawker Siddeley Group, 32 Duke Street, St. James's, London SW1Y 6DG. 01-930 6177.

● MATERIALS

Anti-rust treatment for trucks

COMMERCIAL VEHICLES at Ford's new painting plants at Southampton and Langley in the UK and Genk in Amsterdam are undergoing treatment in an £8.5m anti-corrosion programme based on cathodic electropaint supplied by International Paint, Henrietta House, 9 Henrietta Place, London W1 (01-580 6677).

The Southampton facility with its 300,000 litre tank is believed to be Europe's largest cathodic installation and over the next year more than 175,000 Transits, A-Series, D-Series and Transcontinentals will be primed with the International ED 3002 process.

The material is being supplied by International Paint (which claims to be Britain's biggest supplier of cathodic electropaint) under licence from PPG Industries in America who developed the process after 15 years research.

Since 1976, virtually all Ford and General Motors electropaint tanks in the U.S. have converted to the PPG material and it has been adopted by companies on the Continent, and other countries, including Japan, Canada and Australia.

When compared with conventional anodic electropaint at the same film thickness, cathodic is said to more than double corrision protection. Also, throwing power (the paint's ability during application to reach critical interior areas) is increased by about 50 per cent.

The company says that technical evidence and user experience have convinced experts that cathodic electropaint is the greatest single advance in corrosion protection in the history of the motor vehicle.

Ford's anti-corrosion programme (which includes wax injection for some closed sections on Transits) follows a survey of about 5,000 vehicles in 650 different European locations.

The protective qualities of cathodic electropaint were proven by the company after exhanstive trials which included a new accelarated test simulating five years of customer operation in four months.

To prepare for this severe test, a vehicle is driven over rough gravel to damage the underbody paint—then salt splash, salt spray and a salt/mud bath build up a corrosive layer of salt-impregnated mud on the underbody.

Test itself consists of 60 one-day cycles during each of which a vehicle spends 22½ hours in a special chamber where the temperature is 50 degrees C. and the relative humidity 98 per cent.

For the remaining 1½ hours it is continuously driven around a circuit which has a dirt road, a salt highway, and a salt spray. In addition, the vehicle goes through the salt/mud bath again every three weeks.

Demonstration centre in which companies can test both cathodic and anodic is at Ladywood Birmingham, says International Paint who opened the first UK plant for the production of cathodic electropaint last year.

As well as the motor ind... customers include comp... manufacturers, such as ... and Edward Rose (Bir...ham).

هكذا من الأصل

THE MARKETING SCENE

No fun from the EEC

BY IAIN MURRAY

THE WHOLE vexed question of self-regulation in the advertising business has been aired so often in recent years that it has come to seem more like self-flagellation. And, earlier this weak, a group of sombre faced admen were at it again. Lured by a blood-curdling brochure: "Advertising Controls: New Law and More to Come?", they gathered at the Hilton Hotel, Park Lane, fully prepared to hear the worst.

The organisers of the event, Oyez IBC, seemed in no doubt that the question mark in the title of the seminar waa superfluous. "Greater legal control of advertising is now inevitable," ran the blurb. "Can the self-regulatory system survive? How will the advertising industry fare during the coming decade in the face of such legal hostility?"

So the stage was set for a spine-chilling melodrama, and the principal players duly gave of their best. The audience was by turns enthralled, horrified, and reassured. For the news, it seems, is both good and bad. The chief provider of comfort was Mr. Peter Thomson, director general of the Advertising Standards Authority, who said that although the business had from time to time been the object of misconceived attack from quarters which ought to have known better, further legislative initiatives were not a threat to the preservation of western civilisation as we know it.

The advertising business should neither over-estimate the threat posed by statute, nor under-estimate the abiding strength of self-regulation. Indeed, added Mr. Thomson, self-regulation is now generally accepted as an indispensible element in any practical scheme for the control of advertisement content in the United Kingdom.

Proof of that was to be found in the conclusions of both the Office of Fair Trading's "Review" of November 1978, and the "Report" of the Department of Trade's Working Party which appeared earlier this year.

"So the contention for which I and others have long argued is now the official wisdom," said Mr. Thomson. "Effective advertisement control reqnires both legal and self-regulatory inputs. If they are designed deliberately to complement one another, rather than allowed merely to develop and function in parallel, the total in terms of effectiveness of law and self-regulation working together will be greater than the sum of the constituent parts. Greater in terms of speed, clout, scope and cost."

But, not wishing to laave his audience on such a cosy note, Mr. Thomson concluded with a reminder of the lurking presence of a genuine menace.

"There is," he said, "a threat that ought to make your blood run cold far more than the threat of drawing lines between voluntary and statutory controls."

That grim reference was to the EEC's draft Directive on Misleading and Unfair Advertising, a spectre consummately conjurad up earlier in the day by Dr. Richard Lawson, senior lecturer in law at the University of Southampton.

The directive, which will come before the Council of Ministers for approval within tha next 12 months, requires member states to "adopt adequate and effective laws against misleading and unfair advertising."

About 75 per cent of the directive waa already covered by UK law, aaid Dr. Lawson. But the 25 per cent that waa not could well cause considerable upheaval if implemented in its present form.

"To begin with," he went on, "member atatas will have to provide 'persons affected' aa well as 'associations with a legitimate interest in the matter' with quick, cheap, and effective facilities for taking action against offending advertisements.

"'Persona affected' can include not just consumers who hava been misled by unfair advertising, but also competitors who have lost custom by another's illegal tactics. Consumer groups will no doubt come undar the head of 'associations with a lagitimate interest.'"

And that, said Dr. Lawson, was a ripe field for problems if ever there was one. "If any old consumer group can whizz off to court, or if competitors try to take advantage of the law by getting stuck into legitimate advertising that is affecting tbeir business, it will become impossible to run any advertising campaign."

Nor, be added, is the directive in its present form compatible with the UK's system of voluntary controls. Member states will be allowed to make provisions for actions to be brought before "an administrative body with adequate powers" rather than involve the courts, but it had been made clear in Brussels that Britain'a Advertising Standards Authority would not qualify.

Moreover, apart from introducing procedures alien to the Britisb system, such as class actions and corrective advertising, there was a danger that the directive would strike at the beart of the UK's favourite promotional device—bumour.

Earlier, Mr. Philip Circus, legal adviser to the Institute of Practitioners in Advertising, had read out one of the more curious letters received by the ASA.

Tbe writer had complained about the advertisement for Heineken lager depicting a dying house plant being reviveo after being fed with the brew.

"After seeing the advertisement," he wrote, "I thought it would be a marvellous way of reviving my own house plant which was also dying. But, after assiduously feeding it with Heineken, the plant is now completely dead.

"Obviously, as it is dead, I can't test with other beers the advertiser's claim that 'Heineken refreshes the parts other beers can't reach.' I would bave thougbt they would bave tested the product before promoting it as a fertiliser."

Though that complainant was quite probably bereft of common sense, said Dr. Lawson, be was evidently misled by the ad, and the EEC directive makes it an absolnte offence to mislead anyone.

The proposals do not specify that the consumer should be a "reasonable person," so comic advertisements are in peril of illegality should anyone take them seriously.

The U.S. cigarette companies are competing hard to produce 'tasteless' cigarettes. The battle could soon have repercussions in Europe

Rival empires wield new weapons in America's 'Tar Wars'

BY IAN HARGREAVES

"As you may know, a cigarette this low io tar tends to be harder to light and draw. Therefore, you might find smoking the cigarettes in this box to be an experieoce substantially different from other cigarettes you have smoked."

This intriguing message can be found stuck to every packet of Cambridge box cigarettes, part of the oew Philip Morris range which is in the process of generating one of the fiercest marketing contests of 1980 in the U.S. It is hardly a message calculated to set a smoker's taste buds throbbing or to geoerate anticipatory calm for his over-stressed nerves; and if there were any doubt about what Pbilip Morris, the liveliest and fastest growiog tobacco company in the U.S. by a long way, thinks about Cambridge box, this is what Mr. John Landry, the company's top marketing executive, has to say about it.

"You need a bellows or something like that to make those things go," he comment. Then why do smokers, of whom Mr. Landry is one, want them? He looks towards loftier storeys of the PM Park Aveoue skyscraper and whistles: "I really don't know."

Perbaps more to the point then, wby is Philip Morris about to spend its sbare of the $130m to $150m three companies—PM, R. J. Reynolds, the industry leader, and American Brands—will spend this year promoting their rival ultra-low tar cigarettes?

The obvious answer is that a market exists. Last year, cigarettes with less than 5 milligrams of tar earh (the accepted definition of ultra-low tar) took 5.7 per cent of an almost static U.S. cigarette market. The year before the take was 3.7 per cent. In 1977 it was 2.2 per cent.

So Philip Morris had to do something. American Brands has been gunning away with its Carlton advertisements ("Carlton is lowest") for nearly two decades. Reynolds has had its Now product line since 1976 and, along with Carlton, has merely needed to lower tar content of part of its range to keep in touch with the ultra health conscioua end of the smoking market.

Philip Morris could have followed Reynolds by simply extending the tar availability range of its Merit cigarettes, PM's first specifically low tar brand, launched in 1976 and now the U.S.'s leading low tar cigarette. Low tar, as opposed to ultra-low tar, is defined as cigarettes with less than 15 milligrams of tar per cigarette.

One suspects that the real clue to why PM did not select this route is that coupon in the Cambridge box packets. Mr. Landry makes no secret of the fact that the lowest tar offering in the Cambridge range is a lousy cigarette, although as one would expect he says it is less lousy than the lowest tar offerings from Now or Carlton. To illustrate his point he likes to tell a story of what he agrees was hardly a scientific test.

At PM's super-duper operations centre in Richmond, Virginia—everytbiog at Philip Morris has a super-duper feel to it—the company's testers arranged for an experiment whereby a panel of individuals would be iovited to draw on the filter tip of ten cigarettes whose lightable end they could not see. The only question thay had to answer was: "Is this cigarette alight?" It was, Mr. Landry says, just about possible to tell that the Cambridge box cigarettes were burning, but not so with some of the competitors in the 0.1 milligram and below tar bracket. Smoking ultra-low tar cigarettes is, apparently, a mild experience.

PM's feeling that 0.1 milligram cigarettes, at least at the present state of the manufacturing art, are not mucb good seems to bave induced a sensitivity not to risk tarnisbing Merit's image with the sickly taste of the 0.1 milligram experience. The lateness of the Merit launch, relative to the competition, Mr. Landry says, was because PM was determioed to get good flavour in a low tar cigarette. The sales figures prove the achievement.

So, Cambridge is out there as a brand new product to do battle with Now and Carlton. Mr. Laodry is confideot that over a period of several years it will establisb itself, perbaps with 2 to 3 per cent of the market, and that the higher tar offerings in the Cambridge range (such as the 4 milligram line) represent acceptable smoking quality.

But that still does not explain why Philip Morris has launched, and wby the industry is so excited about it launching, wbat may well soon be promoted as a zero tar cigarette itself. The real answer is Carlton and marketing. American Brand's record over tbe years is not an enviable one, having dropped from a 20 per cent overall U.S. market share to 11.6 per cent in the last decade. American misread the switch to filters, but its numbers and facts oriented backing of Carlton has at last started to pay off handsomely. The brand was last year's star performer, raising sales by 50 per cent and providing, without doubt, the final trigger for PM to join in the scramble.

The point about Carlton is that because for most of its life Government figures have shown it to be without dispute "the lowest." The whole Carlton range has become associated in the public mind with the ultimate in safe cigarettes, even though Carlton sells many more cigarettes with 5 milligrams of tar than it does cigarettes with 0.01 milligram of tar—the claim made for its latest arrival. "We have beeo working for 15 years to position ourselves where the growth ia," says Mr. Richard Stinnette, assistant to the chairman at American Brands. "We will remain the lowest," be snaps.

Share of market of low tar (under 15 milligrams per cigarette but over 5 milligrams): 1968 1.9 per cent, 1970 3.5 per cent, 1975 8.6 per cent, 1976 15.6 per cent, 1977 23.3 per cent, 1978 32.2 per cent, 1979 37.6 per cent.

Share of market of ultra-low tar cigarettes (under 5 milligrams tar per cigarette): 1977 2.2 per cent, 1978 3.7 per cent, 1979 5.7 per cent.

It is even possible that American coold try to defend its claim in the courts agaio as it did without mucb success two years ago against Reynolds, now. Objectively speaking, the latest rash of claims ia probably no more than hoopla anyway. The Federal Trade Commissioo says it cannot measure accurately tar levels under 1 milligram. Doctors say sucb fine distinctions make no difference, although some medical opinion has recently started to campaign for tougber warnings agaiost low tar cigarette smoking on the gronods that even without tar cigarettes remain dangerous, especially for pregnant women.

Be that as it may, American, Reynolds and PM obviously all agree tbat selling is a question of numbers and that success will go to tbe company whose ads can convince people that they are getting the lowest tar, although all of them dispute that this is purely a health craze, pointing to a growing American preference for lighter beers and whiskies, and for blander foods.

So, the claims of the rather colourless advertisements pit themselves against each other. "Breakthrough! Now is the closest things to a tar-free cigarette. Introducing the lowest." Or "Carlton is lowest. See how Carlton stacks down in tar compared with U.S. Government figures for brands that call themselves low in tar." And from PM: "Introducing Cambridge Box: the lowest tar ever." At this stage no image advertising of the Marboro country type is contemplated. This battle of mathematicians for the dulled palates of the nervier end of the 55m-member U.S. amoking market may not be the stuff of which Madison Aveoue romantic novela are made, but everyone knows that hig money could be involved soon.

Last year, cigarettes under 1 milligram (basically Carlton) took 0.5 per cent of the market, a slice worth about $100m in reveoue. As a wbole the low tar business is now more than 40 per cent of the total market, a level surpassed only in Canada.

In Europe, where American, Reynolds and Philip Morris are all leaders (Benson and Hedges, Winston and Marlboro respectively), there is also a drift to low tar in some countries, such as Britain, where this sector now accounts for about 20 per cent of the markel. But in

West Germany, whicb landed early on to the low tar/health awareness bandwagon, the pendulum has started to swing back the other way. Low tar in that country accounted for 25 per cent in 1977 and is now closer to 20 per cent.

That is another reason why Morris is bedging its bets with Cambridge in what Madison Avenue has dubbed the industry's "Tar Wars." At this stage it is too early to tell wbether in the U.S. market, the empire of more poteot cigarettes is capable of striking back.

Coining words

IF THE word "lusophile" ever makes it into the Oxford Englisb Dictionary it's first usage will be noted as the Sunday Telegraph, May, 1980. Anyone with a little Latin, remembering that the region which is now Portugal was all Lusitania to the Romans, might guess it means a lover of Portugal. Among the lovers of Portugal at the moment are agency MKW whicb dreamed up the word, now part of one of its most successful campaigns ever.

MKW won the Portuguese tourism account last December but bad no idea of the expenditure until May when the Portuguese Budget was decided, committing £130,000 to promote thet country in the UK. Since most holiday bookings are made between late December and end February starting a campaign in the early summer was breaking holiday advertising precedents. In practice it bas worked splendidly, five insertions in up-market magazines producing over 7,000 enquiries, almost unprecedented in this field, plus three-hundred calls a day to the Portuguese Tourist Office in London and a 50 per cent rise in its post-bag. The Sunday Time double page brought in 6,800 enquiries which works out at £1.50p a lead.

The advertisements, under the "Are you a natural lusophile?" headline, are unusual in marrying plenty of words with lots of pictures, and are aimed at persuading AB's to travel to north and ceotral Portugal under their own steam. It now looks as if thia year Portugal will have made up all the tourists it has lost since its revolution. In 1973 the total traffic was 512,000. By 1976 it bad fallen to 245,000 and since then it has been rising steadily. Last year there were 400,000 visitors and this year the plan is for 550,000. A third of the holidaymakers go to tbe Algarve and MKW's brief, which has been helped by a further £70,000 as a token of success, is to spread the tourists throughout the country. It also hopes to ensure that tbe British visitor retains his top position: In the last few years the Dutch and the Germans have increased their numbers, but over a fifth of lourists to Portugal remain British.

JOBS COLUMN; APPOINTMENTS

Shining example set by insurance company

BY MICHAEL DIXON

IT IS a pity that recruitment consultant Tony Bucher of Caldwell Partners International may not name the insurance group for which he is seeking an accounting services manager. For the group has won the first ever JOCCUP award—the Jobs Column's Commendation for Unusual Perspicacity.

Canadian in origin and ownership, the group started operations in London 74 years ago, and has since established branches throughout the UK and in the U.S. and the Caribbean. In 1972 the UK operation formed two subsidiary companies to enable it to offer a greater range of financial services, including a unit trust.

The person now wanted will work in central London and be responsible to the secretary of the group's UK businesses for their accounting, which is based on computerised procedures developed by the Toronto headquarters. As well as ensuring that financial and management accounting systems are efficiently maintained and improved, the newcomer will see that the necessary staff are trained effectively and will contribute appropriate advice to the planning of operations.

At present the domain includes 17 staff working in two departments. One deals with financial accounting, having a manager supported by three administrators: for segregated funds, for subsidiary companies, and for the budget. The other depsrtment is headed by an assistant manager in charge of a cashier's section and a control section.

The main qualities required of candidates are threefold. Applicants must have the technical skill not only to win the respect of the qualified staff, but also to roll up the sleeves and give a practical lead. The second need is experience in either insurance and assurance, banking, or unit trusts. The third is demonstrable "man-management" ability.

So what—I seem to hear myself asked—is so unusual about this job-offer as to merit the coveted JOCCUP award?

The answer is that when seeking to fill such openings, the great bulk of employers call for candidates who are impeccably certificated accountants aged up to the mid-30s or thereabouts. To their eternal credit, however, the insurance group and Mr. Bucher have resisted this prejudice of the common herd and have specified that candidates, preferably qualified accountants, should be no younger than 50. Indeed, provided they are in shape to undertake a three- to five-year contract, they could already be in their 60s.

The salary indicator for the job is £14,000-£16,000, and the arrangements for pay can be adjusted to suit the needs of the 50-plus age group. The other benefits are of the comfortable sort associated with financial institutions.

Inquiries to Tony Bucher at 24 Buckingham Gate, London SW1E 6LB; telephone 01-834 7966. Since he may not name the employer, he guarantees to abide by any applicant's request not to be identified to the client until specific permission is given. So do both the recruitment consultants yet to be mentioned.

Control-control

ONE is Richard Robinson of the Otteridge consultancy, who seems to believe that of only about two dozen English-speaking people in Europe who could do the job he is offering, at least half read this column. He then somewhat dilutes the compliment by implying that the said reading is done during the *many hours those people spend* in aeroplanes, when they presumably have nothing better to do. Magnanimously, however, I shall refrain from refrring to him henceforth as Rude Robbo.

The flighty candidates he seeks are qualified engineers who have specialised for at least five years in control and automation, having worked in that capacity in the management of computer-control projects on behalf of various process industries in different parts of the world. In addition, they will have been successful operations managers in oil, gas, chemicals, nuclear processes or power-generating.

As a result, they will know the current state of the art of computer-control in process industry, be familiar with the problems of applying that art in the plants of client companies, and be able to communicate with the variety of boffins necessarily involved in the design, development and installation of such control systems.

They will also have become adept at marketing the systems, and have ideas on how to drum up business for same outside the energy industries.

What Mr. Robinson has to offer the paragons so described, is the job of managing the European automation and control division of a multinational contracting group headquartered in the U.S. The base for the recruit will be London on those occasions when he or she is not ranging abroad—often far beyond Continental Europe, I gather—managing and marketing.

"The project—and administration-management content of the job will be very high indeed," he says. And since the division is expected to expand, there will be a premium on using marketing and sales ability to good advantage.

The age range extends from 35 to 50, and so is a bit better than the "mid-30 to mid-40s" which most recruiters of managers and specialists quote like so many parrots. But I fear that a top limit of 50 is still too narrow minded to qualify for a JOCCUP.

Provided that candidates are fluent in English, they could come from anywhere in the world, adds Richard Robinson. Pay and perks are negotiable around a basic salary of £20,000 to £25,000.

Inquiries to him at 197 Knightsbridge, London SW7; tel. 01-589 1444.

World-wide

THERE WILL be much travel, too, for the director of international planning and marketing development wanted by Nick Hankinson, of Overseas Appointments, for a U.S.-owned reprographics group. The newcomer will be responsible for the marketing of the group's ranges of copiers and duplicators in all countries other than the Americas.

Although based in London, the director will spend about half the time in the Far East and Australia, and some of the rest in Africa, the Middle East and elsewhere in Europe. Tasks for which the recruit will be responsible to the marketing vice-president in the U.S., will include market research, development of marketing strategies, and supply of advice on products and pricing to distributors, subsidiaries and group headquarters.

Another task will be the recruitment of a supporting team, probably of three people.

Mr. Hankinson says that candidates should already have deep, first-hand knowledge of overseas markets for reprographic equipment, particularly those of the Far East. Fluency in one or more of the major European languages apart from English is also essential. A dynamic style of working, suited to the dash and bustle of U.S. business culture, would be a great advantage.

Applicants should have at least a bachelor-level degree of some sort, and preferably a master's degree in management as well. Noting the evident physical demands of the job, I can see some—although not complete—justice in the quoted age of "around 35."

The salary indicator is £15,000 to £20,000, and the other benefits are negotiable.

Inquiries to Nick Hankinson at 7, Princes Street, London W1R 7RB; telephone 01-629 7262, telex 893439.

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c. £15,000 p.a.

We have been retained to advise on the above appointment for a partnership of seven consulting engineers employing in excess of 300 persons. The practice has been established for more than fifty years and now has operations in the U.K., Australia, the Middle East and Africa. The location of the appointment is Central London but could be moved, by agreement, to the Sussex office.

The successful candidate will be expected to direct the total financial and accounting function as well as providing financial and fiscal advice to partners and contributing to the general development of the practice.

Applications are invited from fully qualified and experienced Chartered Accountants who can demonstrate professional achievement and the ability to communicate effectively within a professional practice.

Remuneration will be for discussion at around £15,000 p.a. A company car will be provided.

Please apply in confidence, quoting reference 030 and giving a brief summary of your career to date, to J. M. Heaslip at:

JOSOLYNE LAYTON-BENNETT LTD.
Management Consultants
Metropolis House, 39/45 Tottenham Court Road, London W1P 0JL.

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£10,000
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IPS GROUP
Banking and Accountancy Personnel Selection

Fund Management

Major Merchant Banking Group **c.£14,000**

Our client, an accepting house, is one of the major forces in the investment scene. They operate a complete range of investment services for both institutional and private clients. They are also one of the largest unit trust managers and are linked with a large scale life assurance operation.

They seek three 27-35 year old people of well above average potential to help with their expansion. These people should be graduates, be professionally qualified – preferably in Economics – or have passed the Stock Exchange Examination, and have at least three/four years' experience with a major bank, broker or insurance house.

Institutional Fund Manager

This role envisages managing and marketing to international corporate clients, research into International & UK Markets etc. These will include insurance companies, overseas banks, off-shore pension funds etc. Experience of either international fixed interest or the Eurobond market is key. This job offers exceptional opportunities.

Pension Fund Manager

They seek a person who has in-depth background in analysis and who is already involved in managing pension funds and who wishes to move to a position of more responsibility.

Private Client Fund Manager

This role is to supervise a wide range of discretionary private clients. The person appointed should combine analytical training with experience of portfolio management, probably with a stockbroker, but possibly with a bank. Their Private Client Department is supported by a sophisticated computer and other systems. Considerable client contact.

All of these positions are felt to be of above average potential and involve working in a disciplined and sustained atmosphere. Total remuneration, by salary, is likely to be around £14,000 and there are, in addition, the normal bank benefits including subsidised mortgage.

Please write with full details to Colin Barry at Overton Shirley and Barry (Management Consultants) Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSB

Senior Investment Analyst

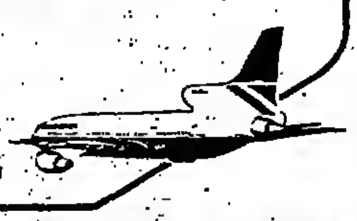
An opportunity has arisen for a Senior Investment Analyst to join British Airways in the Airways Pension Scheme at Kershaw House, Hounslow, Middlesex.

The Analyst reports to the UK Equity Manager and is responsible for the analysis of oil, chemical, mining and pharmaceutical sectors of UK portfolio. He or she will be required to prepare reports on new holdings, takeovers and company results; perform analyses of companies and industries; monitor information from Stockbrokers and other sources. A positive contribution on policy decisions regarding the construction of UK equity portfolio is envisaged.

Applications are invited from persons holding a degree or suitable professional qualification preferably with experience of research gained in a comparable institution or Stockbrokers' office. The salary will be *in a scale starting around £7336 and rising to* £8884 pa. Excellent airline benefits include an index-linked pension scheme, sports and social facilities and favourable holiday air travel opportunities.

For an application form please phone, or write on a postcard to: **Recruitment and Selection, British Airways, PO Box 10, Heathrow Airport-London, Hounslow TW6 2JA. Tel: 01-897 3246/3247**

British airways



Actuaries

become part of the most innovative and competitive market in the world-South Africa.

We seek *qualified* Actuaries and students with two to three years' relevant experience to work from our Johannesburg Head Office and become involved in one of the most innovative and highly competitive life insurance markets in the world. We are totally aware of the value of marketing our products thoroughly and we can offer you *the* chance to really get to grips with the market and plan exciting programmes and products for the full spectrum of the South African population.

Anglo American Insurance Holdings Limited, South Africa is part of the Anglo American Corporation which has consolidated assets of $7,000 million. De Beers, one of the principle *shareholders is ranked* 122 *in the* 'Fortune' 500 list of the largest companies in the world. This is an *indication of the commitment and* confidence current in the South African life insurance market which is part of the only *booming economy* in the Western world.

Three life assurance companies are included in the Group: African Eagle Life — one of the four largest life companies in South Africa, Guarantee Life — a specialist broker-orientated company and Southampton Assurance Co. Ltd., situated in Zimbabwe. All offer services and products which span group pensions; *individual and* industrial life markets.

Successful candidates will be involved in all aspects of actuarial work with a clear career path to general *management of the Group.*

In addition to the chance for you to really develop an excellent career we also offer very competitive salaries based on experience and performance — senior posts also carry a company car and subsidised mortgage. The benefits package also includes contributory pension and medical aid schemes that are amongst the best in the country, and naturally we will provide relocation costs. South Africa has a lower cost of living than the U.K. — the current purchasing power of the Rand is approximately equal to that of the pound, VAT is only 4% and taxation is lower. Recreation and schooling facilities are excellent and the climate is recognised as one of the *finest in the world.*

We are prepared to offer a permanent position to suitable *candidates, but are also prepared to* talk in terms of a four-year contract which may be open-ended if required.

If you want to make a career move that can only be considered advantageous to you then contact James Vallee, Austin Knight Ltd., London W1A 1DS. Tel. 01-437 9261. Since interviews will be held in London on the 2nd, 3rd and 4th July *please indicate a convenient time/date* for interview.

Anglo American Insurance Holdings Limited
AAC — AN ANGLO AMERICAN COMPANY

Assistant Treasurer

Brussels

The area headquarters for Africa and the Middle East of a major international Company is seeking an Assistant Treasurer due to the promotion of the present incumbent.

The emphasis initially will be on treasury functions for multi-million dollar contracts in English speaking West Africa and thereafter there will be opportunities for increasing involvement throughout the area on a broadening professional front. Considerable travel will be involved. A sound financial background in both education and career is required together with specific and intimate knowledge of company finance and bank procedures. *Ref: K8001/FT*

Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details with present salary and telephone number for early contact, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

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This advertisement is featured on page 599011 of Prestel

Financial Controller

Middlesex **to £12,000 + car**

For the autonomous UK subsidiary of a high technology North American corporation.

Reporting to the managing director, the appointee will have the challenging responsibility of managing the full finance function and contributing to the growth of this young and exciting business.

Candidates should be qualified accountants, with a shirt sleeve approach, and a wide accounting knowledge. This must include several years industrial management accounting experience, ideally in electronics or light engineering.

For an application form telephone 01-248 6113, or write to J. H. Cobb, Executive Selection Division, quoting reference 2461/L.

Peat, Marwick, Mitchell & Co.

165 QUEEN VICTORIA STREET, BLACKFRIARS, LONDON EC4V 3PD.

City of London Polytechnic

The Court of Governors invites applications for the post of

PROVOST

Approximate salary £20,000 (under review)
Burnham Group 11

The present Provost intends to retire in March 1981.

Further particulars available from:
Peter Burrell
Secretary and Clerk to the Governors
City of London Polytechnic
117-119 Houndsditch London EC3A 7BU

The closing date for applications is 26 September 1980

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The personnel consultancy dealing exclusively with the banking profession

TREASURER **£16,000-18,000**
Our client is an international trading group, with extensive interests in the U.K. and overseas. An experianced banker (30-35) with in-depth knowledge of Foreign Exchange and Money Markets as well as extensive banking contacts, is required to implement an important phase in the development of the treasury function. A comprehensive technical undarstanding of international financial transactions is crucial, as are intellectual ability and communication skills.
Please telephone ROY WEBB

EUROBOND SALES **£12,000-£15,000+Bonus**
An expanding *U.S.* investment bank has an *urgent* need for top-flight sales executives to further develop its institutional sales base. Candidates should have had experience in marketing a range of fixed interest securities; aggressiveness and career motivation are prime requirements. There is an element of travel associated with the position. Earnings potential and carear prospects should interest candidates aiming for the highest level. *Please telephone ROY WEBB*

CREDIT/LENDING **to £12,000**
Two 'ground-floor' opportunities for international bankers with credit/lending experience exist with a young, wholesale international bank new to the City of London.
The first position, reppriing to a General Manager, calls for a candidate aged 30-35 with a strong background in credit analysis and recent experience in the business davelopmant of corporata lending services, preferably including some exposure to the Middle East.
The other vacancy is open to a trained Credit Analyst aged in his or her twenties. Salary for this position will be in the region of £8,000 and there are prospects of promotion to Area Officer.
Please telephone KEN ANDERSON

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

MAJOR INTERNATIONAL BANK
REQUIRE A
CURRENCY DEALER
TO WORK IN THEIR BAHREIN OFFICE.

Age group 25-30 years, married, preferably with a small family. Candidates should have at least 3 years' experience in this field, mainly in Deposits. Excellent salary and conditions.

Applications in writing to:—
PO BOX 131, LONDON, EC2P 2NA.

Economists
International Banking

Bank of America, the world's largest international bank, is seeking two Economists to join the Economics Department in its Europe, Middle East and Africa Division, based in the City.

The department's activities encompass a wida range of research and market-related functions, including the interpretation of economic and political developments, foreign exchange and interest rate forecasting, country risk analysis, strategic market and planning studies, and the developmant of business both within the Bank and with external clients.

Candidates, aged 25–30, must have a sound background in applied economics, together with tha personal qualities needed to deal effectivaly at senior management level. The appointed applicants will work in a team reporting to Eigil Kruse-Kempen, Director of Economics, and will specialise either in financial analysis, with particular amphasis on the foraign exchange markets, or in country risk evaluation and strategic studies related to long-term business opportunities and challenges. Provan expariance in one or other of these areas is therefore essential.

These positions afford excellent scope for career progression, and a competitive salary will be augmented by an attractive benefits package, including low-interest mortgage, non-contnbutory pension and free BUPA.

Write, in strict confidence, with full personal, carear and salary datails to: A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

LETTERS OF CREDIT/FOREIGN EXCHANGE

Growing Banking Group invites applications from experienced executives to join group to develop L/Cs and Forex Department. Terms negotiable.

Write Box A.7203, Financial Times, 10 Cannon Street, EC4P 4BY

INSURANCE EXECUTIVE

Growing Banking Group invites applications from experienced executives to join group to develop in-house insurance business on excellent negotiable terms.

Write Box A7204, Financial Times, 10 Cannon Street, EC4P 4BY.

FINANCIAL DIRECTOR-DUBLIN

Entrepreneurial Group £20,000 + PA

The Gronp, with profits in excess of £4 M pa, has expanded rapidly in Ireland and the UK in recent years. Development of financial systems and *standards is now a priority to keep pace with the anticipated size of* the operations in both the long and short term.

As a Group Main Board Director you would be a member of a small, informal and technically competent management team. You would be required to provide the financial forward thinking for the Group, as well as establishing the routine systems and leading the financial *management.*

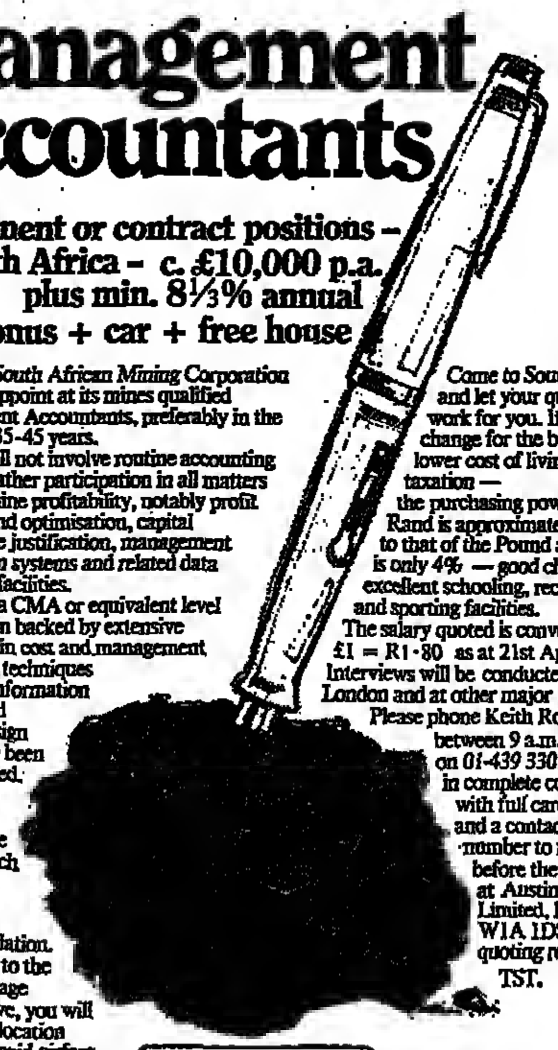
To be considered you must be a Chartered Accountant and have held a senior financial position in a public company with a turnover of at least £40 M. Experience in dealing with outside professional advisers and with the technical detail of acquisitions and share issues is also obligatory. Age: 35 to early 40's.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the Group.

Business Development Consultants,
27 Upper Fitzwilliam Street,
Dublin 2. Telephone 760205.

BDC

Management Accountants



Permanent or contract positions – South Africa – c. £10,000 p.a. plus min. 8⅓% annual bonus + car + free house

A leading South African Mining Corporation wishes to appoint at its mines qualified Management Accountants, preferably in the age range 35-45 years.

This job will not involve routine accounting work but rather participation in all matters affecting mine profitability, notably profit planning and optimisation, capital expenditure justification, *management information systems and related* data processing facilities.

It requires a CMA or equivalent level qualification backed by extensive experience in cost and management accounting techniques including information systems and systems design which have been computerised. Experience in a heavy process type industry such as mining would be a decided recommendation. In addition to the salary package quoted above, you will receive a relocation allowance, paid airfare and other benefits including medical insurance.

Come to South Africa and let your qualification work for you. If offers a change for the better; lower cost of living and taxation — the purchasing power of the Rand is approximately equal to that of the Pound and VAT is *only 4% — good climate,* excellent schooling, recreational and sporting facilities.

The salary quoted is converted at. £1 = R1·80 as at 21st April 1980. Interviews will be conducted in London and at other major centres.

Please phone Keith Robson between 9 a.m. and 5 p.m. on *01-439 3301* or write in complete confidence with full career details and a contact phone number to reach him before the 27th June, at Austin Knight Limited, London W1A 1DS, quoting reference TST.

TST-AFCON
CONSULTING GROUP
Durban, Johannesburg, Cape Town

Management Selection and Industrial Relations Consultants

Financial Accountant

An opportunity has arisen for a recently qualified accountant to join a small team of qualified accountants in the European area head office of INCO, a major Canadian based multi-national company, which includes the world's largest nickel producer.

The work will initially be directed mainly towards financial accounting but the person appointed could become involved in any aspect of the work of the Comptroller's Department including the provision of financial controls, management and statutory accounts and financial forecasting, for a number of group *companies in Europe and the Middle East. There is an additional* need for support in the area of evaluation of investment opportunities and in accounting research (particularly SSAP 16).

For a young professional with the personality and ability to deal with management at all levels there are excellent prospects, not only within Inco Europe or independently managed UK subsidiaries, but also elsewhere in the Inco organisation, especially in North America. The commencing salary will be at least £8,500 p.a. and conditions of employment, including non-contributory pension and generous life cover, are those expected of a major international organisation.

Applications, giving brief personal details, education and experience should be addressed to:

G. Ursell-Smith, FCCA, FCMA, ACIS.
Director and Comptroller, Inco Europe Limited,
Thames House, Millbank, London SW1P 4QF.

Inco
INCO EUROPE LIMITED

JAMES CAPEL & CO.

ECONOMIST

The expansion of our Economic Research Unit provides an outstanding opportunity for a young analyst to join a team covering the UK and overseas economies in a major stockbroking firm with a strong international bias.

Ideally candidates will have some experience in monetary and macro-economic analysis of economies, be familiar with econometric and statistical techniques and be able to translate economic events into financial market trends.

The remuneration will reflect the importance we attach to this type of research.

If you think you might be interested, please ring or write in confidence to:—

Robin Wilson
James Capel & Co., Winchester House
100 Old Broad Street, London EC2N 1BQ
Tel: 01-588 6010

GENERAL MANAGER SALES & MARKETING

(Director Designate)

South London **c. £15,000**

ROBOPHONE LIMITED, a wholly-owned subsidiary of the EXTEL GROUP, wishes to appoint a General Manager with complete responsibility for the sales and marketing functions. A Board appointment is anvisaged within 12 months.

The Company designs, manufactures and markets a wide range of Telephone Answering Systems for industrial, commercial and domestic applications. The task is to develop the existing markets and exploit the new opportunities that will emerge following changes in Post Office policy on telephone attachments.

Candidates must demonstrate a proven record of success in developing and managing a national sales forca and an awareness of modern marketing techniques.

The General Manager, Sales & Marketing, will report directly to the Managing Director.

Please write, giving full career details, to:-

Group Personnel Manager
The Exchange Telegraph Co (Holdings) Ltd
Extel House, East Harding Street
LONDON EC4P 4HB

Extel GROUP

Financial Accountant International Publishing

We are a large publishing house with extensive interests throughout the world which are controlled from an international division headquarters based in Oxford.

Due to an internal promotion, we are looking for a young qualified accountant willing to spend up to six months abroad each year. Reporting to the Chief Accountant, the successful candidate will undertake a variety of assignments geared to improving the control and efficiency of local operations. UK duties will include the analysis, review, and consolidation of periodic financial returns.

***The post offers great scope for a young, single person* with initiative and a desire to broaden his/her horizons.**

Salary is negotiable according to experience and there are good supporting benefits.

Applicants should send comprehensive details to Mr D. C. Moody, UK Personnel Director, Oxford University Press, Walton Street, Oxford OX2 6DP. Telephone (0865) 56767.

Oxford University Press

Management Accountants

c £8,500

The company, a large engineering and manufacturing concern in Hertfordshire, with considerable order books, is seeking to strengthen *its Management Accounting function.*

The positions offered cover all aspects of financial control of contracts, and involve supervision of small teams of accountants dealing with planning, budgeting, cost control and reporting.

Applicants should ideally be qualified Accountants with some years' experience in industry and be able to show the ability to accept responsibility, meet deadlines and communicate with Managers in other disciplines. Consideration will also be given to newly qualified accountants with industrial experience.

These positions offer genuine opportunities for satisfying involvement in the Company's business future.

Conditions of employment are those appropriate to a major company, and will include relocation assistance where relevant.

PLEASE APPLY IN WRITING quoting reference 1499 to,
Village Advertising Limited,
30 Wellington Street, London WC2E 7BD

Village Advertising

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A long-established, medium-sized firm of stockbrokers which has a number of different specialist teams and first-class client connections needs an additional gilt edged specialist.

(1) We are a small, closely-knit group with a balanced capability between mathematical, economic and actuarial contributions and

(2) We have an excellent technical back-up in-house computer service for gilts.

We are looking for an experienced specialist sales executive. The applicant must be

(a) able to understand and contribute to the technical standing of the group and

(b) make adequate contributions as a sales executive.

The remuneration for the right person will be generous and the successful applicant will be given a strong personal incentive to achieve every success.

Please write Box A.7188, Financial Times
10 Cannon Street, EC4P 4BY

FINANCIAL CONTROLLER

E.C.1 **c£12,500 + Car**

Required to assume full control of the computer-based financial and administration function of a group of three companies, themselves all subsidiaries of a public group. The successful applicant will be already holding such a position and must have demonstrated ability to manage and motivate staff in a fast-moving and demanding work environment. Reporting on a daily basis to the subsidiary board with stringent monthly reporting to the holding company. Experience in the handling of foreign suppliers' accounts will be a definite advantage. Management of cash flow and credit control features strongly in the work requirement of this demanding job, which could lead to board appointment after a period of two years' proven ability.

Qualified applicants aged 35-40 should apply in writing to:

Kenneth G. Mactavish
Deputy Managing Director
GARLAINE LIMITED
90-98 Goswell Road, London EC1V 7DQ

WATTS, BLAKE, BEARNE AND CO. LTD.

Marketing Director

of this quoted U.K company producing raw materials in several European countries, principally for the ceramic industry world wide, requires assistant.

Should interest ambitious, qualified person (preference for ceramic or scientific background) with aptitude for languages, business orientation and will to work.

A successful candidate with commercial flair has excellent prospects.

Apply with C.V. to T. P. V. ROBERTSON
WATTS, BLAKE, BEARNE & CO. LTD., NEWTON ABBOTT, DEVON TQ12 4PS

L. MESSEL & CO.

wish to reinforce their current effort in the sector by recruiting a

Building Analyst

A minimum of 3 years relevant experience and industry contacts are the qualifications which we are seeking.

The remuneration will be fully competitive.

Reply to:

The Senior Partner,
L. MESSEL & CO.,
Winchester House,
100 Old Broad Street, London EC2P 2HX.

Chief accountant

Financial sector

North London c£12,500 + car

C&L

For a soundly based company, specialising in insurance and related products linked to finance, which has expanded rapidly since its formation in 1972 and is well placed for further growth.

Reporting to the Managing Director responsibility is for tha financial function. There is a small office staff and systems are computerised.

You should be a chartered accountant, preferably in your 30's, with sound commercial experience since qualifying. A financial services background would be an advantage. *Flexibility and a practical approach are essential.*

Résumés including a daytime telephone number to J G Cameron, Executive Selection Division, Ref. C252.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

EMA

INTERNATIONAL TAX MANAGEMENT

OIL INDUSTRY

London **c £20,000 + car**

Responsible for the tax matters of substantial oil exploration, production, mining and trading activities in Europe, the Manager will divide his or her time between compliance and creative tax planning. Advising on local tax situations as the company expands into new territories the Manager will work closely with operations management. Promotion prospects are good and it is envisaged that the Manager will need to establish a formal tax department through further recruitment.

Our multi million turnover client explores for and produces oil and minerals worldwide. The company is a partner in major finds in the North Sea with further and continuing exploration activities in Europe and Africa. Aged 27-35, applicants should be qualified accountants with broad corporate taxation experience, ideally with substantial oil industry content. Please telephone or write to David Hogg FCA, quoting reference I/2003.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Financial Controller/ Director Designate

Export Operations c.£12,000+Car

A rapidly expanding finance company with substantial interests in the export market requires a Financial Controller at its Hammersmith office.

The man or woman appointed will be required to deputise for the General Manager and must therefore have the necessary administrative skills, commercial flair and personality to negotiate at high level with clients, banks and other bodies. A good knowledge of export procedures and practices is essential.

Salary will be negotiable around £12,000 per annum plus company car and attractive additional benefits.

Write with full personal and career details to:
General Manager, U G L, PO Box 983,
Bayswater, London W2.

UG UNITED GREENFIELD LIMITED

Fairey

Divisional Managing Director – Filtration (New Position)

£19,500 + Car

Fairey are creating a new division to look efter its filtration business world wide. This results from ecquisitions, the need to coordinata the ectivities of UK, Dutch end USA based companies and to drive for e lerger shere of the hydraulics filtration market.

This is en excellent position for someone who has run a compeny and who now seeks greater responsibility as a Divisional Menaging Director. Key factors are the epplication of sound financial discipline and the ebility to meximise the benefits of synergy.

Good qualifications in a technical discipline are sought: experience of hydreulics is essentiel. Extansive travel in Europe and USA is involved.

Preferred age 35-45; benefits in line with the importence of the job.

Applications ere invited from men end women, who should writa in confidence to Stewert Mitchell or telephone (24 hour enswering service) for e personal history form quoting reference M/255/7.

The P-E Consulting Group Appointments Division PE
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

Investment Managers

The expansion of funds under management necessitates the recruitment of two investment managers. Candidates should have several years' experience of UK fund management.

The appointments carry a considerable degree of responsibility and discretion as well as competitive remuneration.

Flemings are widely represented overseas and good opportunities exist for advancement, both in the UK and abroad.

Applicants, of either sex, should write enclosing curriculum vitae to J. E. Redwood, Robert Fleming Investment Management Limited, 8 Crosby Square, London EC3. Tel: 01-638 5858.

ROBERT FLEMING

Merchant Banking

CHARTERED ACCOUNTANTS

A major Merchant Bank, one of the Accepting Houses, has two vacancies for Chartered Accountants in its service departments; one vacancy is for a Deputy Chief Accountant, whilst the other is a new position in the Investment Division. Both positions present excellent starting points for individuals seeking careers in merchant banking.

The successful applicants are likely to be in the age range 27-35 with first class career records.

In addition to competitive starting salaries, the substantial benefits which will become available include: low interest housing loan, non-contributory pension scheme with free life assurance, profit sharing, family medical cover, interest-free season ticket loan.

Please apply in writing (with curriculum vitae) to the Personnel Manager

Box FT/623, c/o Hanway House, Clark's Place, Bishopsgate, London EC2N 4BJ.

McKinsey

Top Management Consulting

Our Milan Office, which has been established for many years, seeks e person with

Information Systems Experience

We offer e challenging career in e multinational environment for e person who has had top level experience in informetion systems/EDP areas who now wants to broaden his/her exposure to top management problems.

Candidates should have:

* A record of success within leading multinational companies or international consulting firms
* A deep understanding of modern computer technology, together with extensive experience as a project manager in designing and installing information systems in business and/or financial areas
* Be strongly motivated, thus able to cope with new situations in diverse geographical and cultural environments, also be able to handle broad management problems
* Hold a good university degree, have at least 4–6 years' relevant experience, and speak Italian and English fluently.

We have extensive internal training and development programmes, while our compensation and benefits match the expectations of the best qualified candidates.

Your curriculum vitae, which will be treated in strict confidence, should be sent to:

Dr. Gianfilippo Cuneo
McKinsey & Company
Plaza del Duomo 22
20122 Milano, Italy

ROYAL SOCIETY/ SCIENCE RESEARCH COUNCIL INDUSTRIAL FELLOWSHIPS

SRC

Fellowships are offered under a new joint Royal Society/SRC Scheme designed to improve communication on science and technology between those in Industry and in universities and polytechnics to the benefit of United Kingdom firms or universities. The scheme enables academic scientists, mathematicians and engineers to hold a job and undertake a project in an industrial environment and provides similar opportunities for industrial scientists, mathematicians end engineers to carry out research or course development in a university or polytechnic.

Candidates of PhD status or equivalent, ordinarily resident in UK, Channel Islands, Isle of Man, are invited to submit proposals for awards of from 6 months to two years support. There are no age limits but preference will be given to candidates within an age range of 30 to 45 years. Projects should be within the field normally supported by SRC and involve transfer to work in the alternative sector of employment to that of the candidates' existing employment, which they will retain.

Application forms and regulations may be obtained from the Science Research Council, PO Box 18, Swindon, SN2 1ET (Tel. Swindon (0793) 26222 Ext. 2172.)

Applications may be made at any time and results will be announced within 4 months of application.

FE **Franklin Executive Limited**

Management and Executive Recruitment Consultants

TAXATION

The Professional Challenge in Northern Ireland
Negotiable above £14,000 per annum

Our client, an international firm of Chartered Accountants, is offering an outstanding opportunity for career development in taxation.

Initially based in an established United Kingdom office, the successful candidate will gradually assume responsibility for the total taxation requirement of Northern Ireland clients and will eventually relocate to Belfast.

Applicants should have a proven record in taxation either as an Inspector of Taxes or a Chartered Accountant.

Preferable age is 27-35 years.

Ring DAVID FRANKLIN on Belfast 43352 for initial confidential discussion and further details.

Ref: FE/06/80

20 Donegall Square East, Belfast BT1 5NP
Telephone 0232 43352

Pharmaceutical/ Chemical Analyst

Stockbrokers

A leading firm of Stockbrokers wishes to recruit an analyst to extend its present research effort in the pharmaceutical/chemical sector.

Applications are invited from candidates with several years experience in the pharmaceutical industry or who are already well established in the investment analysis of the sector. An essential requirement is the ability to produce written work to a high standard.

An attractive salary plus a first class range of benefits will be offered, reflecting the candidate's ability and record. The position also offers excellent potential.

Please write with details of qualifications and career to date, and stating any firms to whom your application should not be forwarded.

Simon Howard. (Ref CRS/164),
Lockyer, Bradshaw & Wilson Limited,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

CompAir **Leaders in air power**

CompAir is U.K. Market Leader and one of the world's largest suppliers of compressed air equipment with 23 manufacturing sites of which 9 are in the U.K. We sell 65% overseas into 120 countries. We have a highly decentralised management style but our continued development has created a need for an additional executive to be based at our Group head office in Slough.

Legal and Secretarial Services Executive

Reporting to the Director of Accounting Services, the executive will provide legal and secretarial services for the CompAir Group. In addition to company secretary functions, responsibility will include patent protection, contracts and agreements, litigation, property acquisition, disposal and management, insurances and other HQ administration functions.

The position requires legal and company secretarial qualifications and experience, ideally from a base in accountancy. The age range *is* 38 to 45. *Salary* will be between £10,000 and £12,000 with a car and the *usual benefits.* Candidetes (men or women) should write fully, marking the envelope PCL, to M.B. Edwards, Director of Organ*isation Development, CompAir Limited,* Brunel Way, Slough, Berkshire, SL1 1XL.

Financial Planning

London to £15,000

ICL is continuing its rapid growth in *one of the most exciting and* challenging markets of the 1980s. In order to support this expansion, *considerable emphasis is placed* throughout the Group on effective systems of financial planning and control.

The Profit Planning Manager in the Corporate Controller's department plays a key role in developing the financial planning process for the Group and analysing the plans and forecasts of the operating units. We are now seeking a successor to the existing manager who, as part of his planned career development, is moving to our European HQ in Paris.

The successful candidate, male or female, should have an accounting qualification or business degree, relevant experience and skills and a good track record in a major multi-national company.

There are excellent career *prospects both in UK and overseas,* and candidates should have the potential to achieve senior financial *management positions.*

Please write, with full career details, to J Llewellyn-Davies, ICL, 85-91 Upper Richmond Road, London SW15 2TE or telephone him on 01-788 7272 extn 4233, quoting *ref FT 2007.*

International Computers

think computers–think ICL

ICL

Financial Accountant

Herts/London Border to £10,000

This is a new appointment resulting from the continuing success of our clients who have a £5m turnover and are a self-contained company, part of a large multinational with diverse high-technology interests. The person appointed will report to the Financial Controller and be responsible for a small section using computer-based systems. He or she will produce regular management accounts, analysing performance against forecast and will assist in developing formal budgets and other plans. This is an ideal opportunity for a young man or woman who has recently qualified to take on real responsibility and be exposed to sophisticated systems of financial control. Ref. 1522/FT. Apply to R. A. PHILLIPS, ACIS, FCII, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter
Selection Consultants.

FINANCE OFFICER

£10,391-£11,321

Applicants are invited for the above appointment from persons with suitable professional qualifications and preferably with experience in education, administration or finance either in a college or in Local Government. Salary will be within the above range, inclusive of all allowances, due for review 1st July 1980.

Details may be obtained from:
The Staffing Officer,

Polytechnic of the South Bank

Borough Road, London, SE1 0AA Telephone: 01-928 8989 Ext. 2023.

Newly Qualified ACA/ACMA/ACCA

Planning N. London c. £10,000

* A successful food company, subsidiary of a US multinational, is seeking to appoint a recently qualified accountant as its Business Planner.
* The position offers a high degree of involvement in all aspects of the UK company's planning and forecasting and requires a very commercial and business oriented outlook. There is substantial communication and liaison with all levels of management, the US parent and other affiliates worldwide.
* Your experience to date need not necessarily be in fast moving consumer goods, but some exposure to US management styles and reporting techniques would certainly be preferable and ideally within a large, multibusiness environment.

Please reply in confidence, quoting Ref. U863/FT, giving concise personal, career and salary details to R.G. Billen – Executive Selection.

AYMS Arthur Young Management Services, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

Financial Controller

Nr. Basingstoke to £13,000 + Car

The company is a well established manufacturer of materials handling equipment and employs some 260. It has a turnover of £6m with a good record of profitability and is part of a substantial quoted British group.

This position offers real involvement in all aspects of the business. It takes full responsibility for all accounting and financial control and for the provision of concise, pertinent management information. The Financial Controller – who will report to the Managing Director – must be keen to play an active, effective management role in the company.

In addition to a recognised accounting qualification the person appointed will have several years line accounting experience in industry and ideally be in his/her 30's.

Please reply in confidence, quoting Ref. U870/FT giving concise personal, career and salary details to R.G. Billen – Executive Selection.

AYMS Arthur Young Management Services, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

Financial Director

For an international private company with interest in the aviation industry, turnover around £8 million. Middlesex-based.

Responsibility for a small headquarters staff and ensuring that functional management overseas is effective. As a member of the Group Management Team, priorities will concern formulating policy and controlling the international business development of a dynamic group.

An accounting qualification and successful record embracing international business operations are the requirements.

Preferred age: 30s. Salary negotiable: range £13-15,000.

Ref: R2514/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-235 6060 Telex 27874

PA

A member of PA International

CROSSMEAD INTERNATIONAL LTD.

Situated in Hong Kong seeks the services of an experienced

COMMODITY BROKER

in London on a commission basis

Call The Chairman on 0276 23045 after 7 pm any evening.

Managing Director Communications Consultancy

A business consultancy with consulting fees of over £30 million world-wide has formed a subsidiary company to co-ordinate existing communications activities and to develop substantial new business. The company advises chief executives and other senior managers on effective communications within their organisations and with their relevant external publics.

This appointment involves full accountability for the business. Candidates must have a record of successful business development, preferably in the field of communications or management consultancy. An understanding of the principles as well as the techniques of communications and management experience in industry are both desirable.

Starting salary is negotiable and will not be a limiting factor. Future earnings will increase with achievement and will include profit share. A car is provided.

Please write with full details, listing separately organisations with whom your application may not be discussed, to B.G. Woodrow, 17 Stratton Street, London W1X 6DB. Ref. TP 1679.

This appointment is open to men and women.

Managing Director

Zimbabwe

£24,000+, House and Car

Due to normal retirement, we seek a thoroughly competent all-rounder for Stewarts and Lloyds group operation in Zimbabwe.

You will be directing all investments in Zimbabwe, which include manufacturing and distribution activities covering a wide range of steel and engineering based products. A mature professional businessman with engineering orientation, probably in your forties, you need to show a record of achievement in general management. Professional engineering and commercial qualifications plus African experience are advantageous. Based in Salisbury, with excellent conditions and benefits to attract a man committed to the growth and development of his company and Zimbabwe.

Please write, in confidence, giving qualifications and experience under ref. 1673/LH/FT to:

Robert Lee International

24 BERKELEY SQUARE, LONDON W1X 6AR

APPOINTMENTS ADVERTISING RATE £19.50 PER SINGLE COLUMN CENTIMETRE

Assistant Controller

W. London to £13,000 + car

This is a new position and reflects the growth and complexity of our client's business as well as an increasing awareness of the contribution that sound administration and strong financial control can make to the company's future. Part of an International Group, they employ over 300 people and supply specialised products and services to a wide range of industries. The person appointed will take responsibility for a complete accounting function involving 10 staff using computer-based systems which are currently being upgraded to provide on-line processing. Applicants (male/female) should be qualified accountants in their early 30's who have had experience of managing staff and are used to operating to disciplined professional standards. Ref. 1521/FT.

Apply to R. A. PHILLIPS, ACIS, FCII, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter

Selection Consultants

Chief Accountant

City/Essex c.£12,000 +car+benefits

Our client is a privately owned insurance group with a fine trading reputation in the City, and a sound profits record to fund future development. A new division is being created as part of this development of their insurance broking and advisory service to both professional and corporate clients.

The primary responsibility of the Chief Accountant will be the leadership of a large accounting department (based in Billericay, Essex), which is currently developing computerized accounting, and the firm financial management of the division.

The candidate will be a mature qualified accountant (aged 35-45) who is able to demonstrate both leadership capabilities and a sound commercial sense, need not necessarily be from an insurance background.

Call Doug Edmondson MBA on 01-248 6321

Personnel Resources Limited

HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HS. 01-248 6321

TOP ECHELON EXECUTIVE APPOINTMENTS

Financial Controller

Stockbrokers £12,500-£15,000

A leading firm of London stockbrokers wishes to appoint a Financial Controller.

The person appointed will be responsible to the Financial Committee for all accountancy and financial matters, including contact with auditors and the control of new computerised systems.

This is an excellent opportunity for a young Chartered Accountant, who wishes to develop a career in stockbroking, to take full *responsibility for financial* control. Career prospects include the possibility of an appointment to partnership.

Candidates should have a strong, tactful personality, suited to this environment, supported by appropriate professional or commercial experience.

In addition to the salary an attractive bonus may be offered, together with the usual benefits.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to Janet Tilton, Personnel Services Division of:—

SP Spicer and Pegler Management Consultants, St. Mary Axe House, 56-60 St. Mary Axe, London EC3A 8BJ.

EUROBONDS

We are currently retained by two leading International Banks to recruit the following:—

— SENIOR TRADER —

— F.R.N. TRADER —

— SALES PERSON —

The requirement in all cases is for fully experienced personnel from active market names. Salaries are competitive and fully negotiable and a full range of benefits is offered.

Please contact in strict confidence, Mark Stevens

BANKING PERSONNEL

41/42 London Wall · London EC2 · Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)

Executive Search

Croydon £20K + car

As part of our continued expansion, we require an experienced Consultant to lead a team engaged in Executive Search. An early appointment to the board is envisaged.

Must have excellent contacts throughout industry and the City and be able to participate in business development.

Rewards will be negotiable but include an attractive base salary plus generous bonus payments, in addition to a pension, medical cover, etc.

Please apply personally to me, Jack Taylor, Chairman, Jackson Taylor International Limited, Court Chambers, 2 Coniscliffe Road, Darlington DL3 7RG. Telephone 0325 55426.

Jackson Taylor International Limited

International Recruitment Specialists for the Commodity Markets

Commodity Appointments Ltd, 8 Egmont House, 116 Shaftesbury Avenue, London W1, 01-439 1701

COMMODITY Graham Stewart APPOINTMENTS

Commodity Appointments Ltd, One Whitehall Street, New York 10004, USA, (212) 482 8340

Senior Cocoa Trader

c. £15,000-£20,000 plus benefits

A senior cocoa trader is required by a leading International softs commodity trading concern to head and motivate the physical trading department. The appointed person will also have a good knowledge of trading cocoa from origin, particularly Brazilian.

Soya Bean Trader

c. £15,000-£20,000 plus benefits

A trader with an indepth knowledge and experience of trading US and Brazilian soya beans and soya bean meal is required by a well-established London based commodity company. The successful candidate will control the division. Some chartering experience an advantage.

01-439 1701 London (212) 482 8340 New York

A profitable and expanding subsidiary of an international manufacturing and engineering services group require a:-

Financial Controller

This appointment requires a fully qualified accountant, ideally with some industrial or manufacturing experience to cover both the financial management and company secretary responsibilities.

There is considerable promotion potential in this widely spread group. The position is well suited to an ambitious, married and newly qualified accountant with long term interest in general management. The remuneration package is generous and carries the usual overseas benefits as well as a profit related bonus.

American Virgin Islands Age 25-30 Salary circa $28,000 + car

Candidates wishing to apply should contact me as soon as possible quoting KR.

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants) Cable: Interappt, London, SW1 Telex: 912881

Greener House, 66/68 Haymarket, London, SW1Y 4RF Telephone: 01-839 1602/4 & 01-839 2831

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If you are finding your talents wasted – we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, *individual and* comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED

28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

هكذا من الأصل

Banking Accountant

International Merchant Bank

Aged 40/56
To £12,000

Our client, a leading consortium bank, seek an experienced Banking Accountant to join them as a deputy to the Chief Accountant.

He/She will take specific charge of two major sections of the Accounts Department and have a general supervisory role over the whole. The job calls for considerable experience built up over many years of banking and accounts. Responsibilities will include overall charge of the administration of the Bank's monthly and annual accounts. The Department is fully computerised and is in the process of moving into a new generation of equipment.

The appointment calls for someone of considerable maturity and experience who can contribute to the strength of a young and enthusiastic department.

The essential prerequisite is practical experience; formal qualifications are not essential but a banking and/or accountancy qualification would be an added bonus.

The salary package, comprising a basic and certain allowances, will be up to £12,000. *In addition there are the normal banking benefits including subsidised mortgage.*

Please write with full details to Colin Barry at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSB

Young A.C.A.

Corporate Accounting to Line Management

Surrey **to £9,500**

One of the world's most advanced high technology industrial corporations is currently offering an exceptional opportunity to a recently qualified Chartered Accountant.

Rapidly acquire invaluable financial management experience encompassing financial and management accounting, budgeting, financial analysis, planning and reporting.

Candidates, ideally aged between 23/30, should be recently qualified Chartered Accountants with the desire to gain a broad base of expertise.

Please phone or write quoting ref: 1G 3836.

Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

Accountant

American International Bank

As a major International Bank with European Headquarters in London and an extensive network of branches and subsidiaries worldwide, we are looking for an Accountant for the Operations Division.

Responsibilities include the preparation of management accounting, financial reports and information required for senior management.

Applicants should ideally be part-qualified in a recognised accountancy qualification, with several years' practical experience in general or bank accounting.

In addition to an attractive salary, benefits include mortgage and personal loans at reduced interest rates, non-contributory pension scheme and subsidised restaurant.

Applicants should contact: Brenda Morgan, Continental Bank, Continental Bank House, 162 Queen Victoria Street, London EC4V 4BS. Tel: 01-236 7444.

The bank of opportunity
CONTINENTAL BANK
Continental Illinois National Bank & Trust Co. of Chicago

1981

A vintage year for us – how about you?

FINANCIAL ACCOUNTANT

In 1981 our client, a major insurance company, will be moving to a superb new location in Wiltshire. At the moment the Head Office is based in the City and we are looking for a qualified Financial Accountant to replace the retiring incumbent. In an age range 28-35 you will have a sound commercial background, preferably although not necessarily, gained in an insurance environment with the experience to maintain financial control and make an effective contribution within a management team reporting to the Chief Accountant.

The benefits package is outstanding with basic salary up to £11,000, reduced rate mortgage and a very generous relocation package.

For further information, ring T. Kay at the number below or write for an application form quoting reference TK123.

NEM Insurance

D. P. RECRUITMENT LTD.
FREEPOST 36, LONDON W1E 5UZ.
TELEPHONE: 01-434 2042 (24-HOUR ANSAPHONE).

FURMANITE
International Limited

(a private company offering world-wide industrial leak sealing and associated engineering services through autonomous subsidiaries with a turnover of £15m) seeks an

OVERSEAS BUSINESS DEVELOPMENT MANAGER

WITH POTENTIAL TO PROGRESS TO GENERAL MANAGEMENT AT BOARD LEVEL

Applications are *invited from persons* aged 30-45 with several years experience in selling or marketing at senior level in the engineering or industrial service field. The successful applicant, who will report to the Group Managing Director, will be responsible for the future development of all aspects of our Continental companies and their diversification in line with group policies.

Frequent and extensive travel will be necessary to make a success of this appointment. Previous profit responsibility and knowledge of European languages would be an advantage.

The position is based in the Kendal area and the normal executive benefits will apply, including a company car and relocation expenses. Salary will be no barrier for the person who has the requisite drive to fill this demanding appointment.

Apply in confidence to:
The Managing Director
Furmanite International Limited
Dockray Hall Road
Kendal Cumbria LA9 4RX

Business strategy

Top accounting consultants

We are one of the largest British and international management and economic consultancies and offer exceptional challenges – and opportunities – to outstanding graduate accountants, aged 29-32, who can undertake profit improvement, financial planning and corporate development studies.

We offer:
- an initial remuneration package worth up to £14,000 pa
- demanding assignments, often working in multi-discipline teams
- opportunities to work overseas
- rapid career and earnings progression

Résumés including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. SF20/58.

C&L

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

INVESTMENT ANALYST—U.S.A.

INVESTMENT ANALYST

required for major fund based in London with extensive U.S. portfolio.

It is essential that applicants have had good experience in this field.

Excellent salary and full range of fringe benefits including relocation expenses.

When replying, please enclose curriculum vitae and send to:

Box A.7199, Financial Times
10 Cannon Street, EC4P 4BY

GO AHEAD CO. in S.W.15 require qualified accountant (25-35) to join young team. Real career opportunity for ambitious applicant. Excellent salary + car. Please write Box. A.7202, Financial Times, 10, Cannon Street, EC4P 4BY.

CREDIT MANAGER — **Salary Negotiable**
To work closely with the Finance Director in marketing and syndicating credits in the very active shipping sector of an American bank. Experience in shipping or similar financial field essential.

FOREIGN EXCHANGE DEALER — **£10,000 Plus**
A Dealer with 2/3 years' experience in Spot and Forwards markets to be 2nd Dealer and deputy to Chief Dealer is being urgently sought to join a small but expanding operation. Experience in Sterling, Dollar and other currency deposits and arbitrage an advantage.

PROJECT ASSISTANT — ***£8,500 neg.***
To assist the Assistant Manager Financial Services in a multinational bank on ad hoc projects and general accounts duties: i.e. Management reports etc. Banking background essential, accountancy qualifications an added advantage.

CREDIT ANALYSTS — ***£7,000-£8,000***
Two well established banks with active lending sectors are seeking analysts with 2/3 years' corporate and bank risks experience. Languages a distinct advantage.

ASSISTANT AUDITOR — **£6,000+ neg.**
An Internal Auditor with 3/4 years in international audits is required by an international bank, where prospects for progress are excellent. Duties will cover all aspects of bank audit, plus computerised accounts systems and Data Centre.

As we are constantly being asked to provide temporary staff at the high calibre of our permanent staff, we would be pleased to hear from you if you are seeking TEMPORARY ASSIGNMENTS

LJC Banking Appointments
01-283 9953 – for an immediate appointment

J. HENRY SCHRODER WAGG & CO. LIMITED

have a vacancy for an experienced

Foreign Exchange Dealer

aged 25-30 to deal in short date and forward cable. The successful applicant must have a minimum of 4 years' experience.

The salary will be negotiable and the Company's standard conditions of employment include four weeks' annual holiday, a non-contributory pension scheme, a mortgage subsidy scheme and a family medical insurance scheme.

Applications in writing giving details of age, education, qualifications and experience should be addressed to:

Mr. John R. Lambert,
J. Henry Schroder Wagg & Co. Limited,
120 Cheapside,
London, EC2V 6DS.

BUXTON'S & M.M.B. LTD.

require a

Local Authority Dealer

with knowledge of

Inter Bank market

Salary and terms negotiable

Please reply in strict confidence to:

The Managing Director,
Buxton's & M.M.B. Limited,
80 Cannon Street, EC4N 6LJ.

APPOINTMENTS WANTED

MANAGING DIRECTOR of successful small manufacturing firm, seeks new employment due to recent takeover. 53 yrs. old congenial workaholic with first class administrative skills, adaptable approach. Position sought in stimulating environment where job satisfaction more important than status. Greater London Area. Salary Negotiable. Write Box A.7205. Financial Times, 10, Cannon Street, EC4P 4BY.

2 ENGLISH WOMEN
TEACHERS
Fluent French and Farsi. Typing, seek work Tehran. Urgent.
01-985 6942

W.N. MIDDLETON & CO.

INSURANCE ANALYST

We have a vacancy in our Research Department for an Assistant with experience in either Investment Analysis or the Insurance Industry. The job entails statistical coverage of the composite and life sectors and the candidate will, in due course, be expected to contribute written work for inclusion in our research publications.

A competitive salary and bonus is offered and the preferred age is 20-25.

Please apply in writing to

Peter Stokes,
W. N. MIDDLETON & CO.,
78 Old Broad Street,
London EC2M 1JE.

Career Opportunity in Underwriting

There is now an outstanding career opportunity in the Financial Services Division of the American International Group in their London (City) Office. The Division specialises in underwriting political and *allied risks* and other *financially orientated* insurance covers.

Candidates will be in their early to mid-twenties, possess a working knowledge and an understanding of Balance Sheets and Accounts and have a University Degree or similar qualification. Insurance experience is desirable but not essential. Ability to work under pressure and on own initiative is necessary as early responsibility will follow an initial orientation and training period which will take place in London and New York.

Salary is not a limiting factor being dependent upon age, experience and potential.

Please write in confidence giving full details of education, experience and salary progression to:

AIG

David Healey,
Personnel Manager,
American International Underwriters (London) Ltd.,
12-14 Sydenham Road,
Croydon CR9 2LG.

FINANCIAL CONTROLLER

The newly appointed Managing Director of a small importing/distributing Company in South West London is seeking a mature, qualified Accountant to take full responsibility for the reorganisation and running of the Accounts Dept. Success will lead to commercial involvement and, possibly, a Directorship.

It must be emphasised that the type of person required must be prepared to contribute 110% involvement—without guarantee or security—for the appropriate financial rewards.

For appointment for interview
please contact M.D's Secretary
on 01-223 9680

COMPANY SECRETARY/ACCOUNTANT

An engineering service company, with a turnover of about £1.6m, providing specialist services to horseracing and other sports at home and abroad seeks a

CHARTERED ACCOUNTANT

aged 30-40 as Company Secretary to replace a previous person promoted from the appointment.

Excellent conditions include a good salary, allowances, pension, life insurance, subsidised meals and other benefits including involvement with racing.

The successful candidate will report to the Managing Director and be responsible for financial and materials control, personnel, industrial relations, legal, insurance, secretarial and general administrative functions.

Qualified applicants accustomed to work at a senior level and with sound experience in the majority of the above fields should write or telephone for application form from:

Managing Director,
RACECOURSE TECHNICAL SERVICES LIMITED,
88 Bushey Road, London, SW20 0JH.
Telephone: 01-947 3333

LEGAL NOTICES

NOTICE OF SALE BY AUCTION OF REAL ESTATE COURT IN ROME

EXECUTION No. 34.208

ASKED by Cassa di Risparmio delle Provincie Lombarde (Cariplo)

AGAINST Alessandro Miani and Beatrice Jolanda de Dampierre

Please be informed that during the Sitting of October 15, 1980, at 11 a.m., before Judge Dr. Cardillo, will start the sale by auction in bulk of the Real Estate called "VILLA MIANI" located in a very panoramic area in Rome, Monte Mario and with entrance from 151, Via Trionfale.

The Real Estate includes the Manor House, three cottages, a large secular park with swimming pool, tennis court and greenhouses. It is registered with N.C.E.U., Entry No. 126444, Sheet No. 369, Lot Nos. 9, 10, 15, and with the Landed Property Register, Sheet No. 369, Nos. 3, 4, 6, 17, 5, 7, 11, 18, 20, 81, 82, 21, 143, 145, 292, 293, 294, 295, 296, 297, 298, 12, 54, 8, 9, 10, 14, 15, 16, 19, 67, 91, 92, 97, 150.

MINIMUM PRICE fixed at 2,400,000,000 lire.

DEMAND WITH DEPOSIT equal to 30 per cent of the minimum price (15 per cent of which for caution money and 15 per cent for transfer taxes, charges and other costs).

OFFERS OF INCREASE OF MINIMUM PRICE SHOULD NOT BE LESS THAN 100 MILLION LIRE.

Payment of the remaining amount to be effected within thirty days from the adjudication to CARIPLO for its credit (with possibility of partial taking) and within forty days to the Record Office of the Court for the residual sum.

Further information can be obtained from the Responsible of the Record Office. Dr. Calella.

LEGAL NOTICES

IN THE MATTER OF
MICHAELSON & AUSTIN LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 23rd day of July, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of *their* Solicitors (if any), to the undersigned Keith David Goodman, FCA, of Leonard Curtis & Co., 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in *writing from* the *said Liquidator, are,* personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the *benefit* of any *distribution made before* such debts are proved.

Dated this 11th day of June, 1980.
J. D. GOODMAN, Liquidator.

STRIKERS PUBLICITY LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Bentinck Street, London W1A 3BA, on Friday the 27th day of June 1980 at 12 o'clock midday, for the purposes provided for in Sections 294 and 295.

Dated the 12th day of June 1980.
JOHN VON KOTZE, Director.

PUBLIC NOTICES

NORTH BEDFORDSHIRE BOROUGH COUNCIL
£500,000 issued at 15 57/64 on 18.6.80 to mature 17.9.80. Total applications were 2.5m and these are the only bills outstanding.

CENTRAL REGIONAL COUNCIL
£2,000,000 issued at 15 57/64 on 18.6.80 to mature 17.9.80. Total applications were 12.5m and there are 8m bills outstanding.

EAST SUSSEX COUNTY COUNCIL
£3,000,000 issued at 15 57/64 on 18.6.80 to mature 17.9.80. Total applications were 29m and there are 8m bills outstanding.

STRATHCLYDE REGIONAL COUNCIL
£6m 91 day bills issued 18.6.80, due 17.9.80 at 15 ½%. Total applications £59m. Outstanding £24m.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN MITSUI & CO. LTD., TOKYO

THE 61st ORDINARY GENERAL MEETING *of shareholders of Mitsui* & Co. Ltd., will be held on June 30, 1980.

AGENDA
1) Approval of the Financial Statements and the Proposed Appropriation of Profit for the 61st Business Term (from April 1, 1979 to March 31, 1980).
2) Partial Amendments of the Articles of Incorporation.
3) Election of 22 Directors.
4) Election of 2 Auditors.
5) Presentation of gratuities to retiring Directors and Auditor.

(Full text of Notice is available at Citibank, N.A., London.)

Shareholders who want to exercise their voting rights must deposit their certificates, not later than June 26, 1980, at any of the following:

Citibank *Branches in:*	Bank of Tokyo *Branches in:*
Amsterdam	Brussels
Brussels	Dusseldorf
Frankfurt	Hong Kong
Milan	London
Paris	Milan
	Paris

Citibank (Luxembourg) S.A.
Kredietbank S.A. Luxembourgeoise, Luxembourg,

together with instructions indicating the way the shares be voted or allowing Citibank, N.A. to give a discretionary proxy to a person designated by the Company.

CSSI Office
Citibank, N.A., London,
June 19, 1980

TRAFALGAR FUND S.A.
société anonyme

Registered Office:
LUXEMBOURG, 14, rue Aldringen
Commercial Register
Section B No. 8.198

DIVIDEND ANNOUNCEMENT
TRAFALGAR FUND S.A. will pay a USA $1 dividend per share on or after June 20th, 1980 to holders on record on June 10th, 1980. Shares will be traded ex-dividend after June 10th, 1980.

The dividend is payable to holders of bearer shares against presentation of coupon number 5 at:
—Banque Générale du Luxembourg, S.A.
27, avenue Monterey
LUXEMBOURG
—J. Henry Schroder Wagg & Co. Limited
120, Cheapside
LONDON EC2V 6DS.
The Board of Directors

MOTOR CARS

Rolls-Royce

LIMOUSINE

V Reg: Every conceivable extra.
Cost now in excess of £150,000.
Genuine enquiries only to:

The Chairman, Box G6080
Financial Times
10 Cannon Street, EC4P 4BY.

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A FINANCIAL TIMES SURVEY

COPPER

JULY 30th 1980

The Financial Times proposes to publish a Survey on Copper. The main headings of the provisional synopsis are set out below:

(1) INTRODUCTION
(2) CONSUMPTION
  (a) Electrical Engineering
  (b) Transportation
  (c) Construction
  (d) Mechanical Engineering
(3) PRODUCTION
(4) PRICING

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

More important than palm trees

BY HUGH O'SHAUGHNESSY

"WE'VE HAD a lot of help from the Norwegians in recent times—of course the Norwegian government is social democrat like us. But other European governments which are decidedly not social democratic, like the Swedes and the Dutch, have also pitched in with aid." I had just come back from the fevered atmosphere of Havana the other day and the words of the Prime Minister of Jamaica as we chatted over a cup of coffee in London came as a great comfort.

(Here I entreat those of you who are bored with Caribbean politics or who feel that Mr. Michael Manley is a limb of Satan to go on reading. It is precisely to you that I am directing my remarks.)

In Cuba I had had a week's exposure to the officially sponsored hysteria that the Castro government is whipping up against those who have been bold enough to signal their desire to leave the island and emigrate to Florida or wherever.

Rather die

Now most of the O'Shaughnessy family would rather die than live in Florida (I say most because we have a little domestic problem with Frances who at 18 so wants to get to the States that it hurts. Many of you will know what a trial teenage daughters can be at times.) But then some of us would also rather die than live in Angmering-on-Sea. The point is not so much our own taste but the fact that we feel that people should be allowed to live in what country they like and certainly to leave a country they don't want to live in any more.

If they think they want to live in Florida and then get a fright when they get there, we feel they must chalk that up to experience. But just as we feel that the Cubans should be allowed to emigrate without hysterical group hatred being whipped up against them, it also stands to reason that the continuing hysteria in the U.S. about any government such as Jamaica's in the Caribbean which is not at least 51 per cent pro-State Department and pro-Pentagon needs to be exorcised.

The relationship between the U.S. as a superpower and the tiny and increasingly rebellious mini-states of the Caribbean and Central America seems to me to have become too convoluted, ingrown and tense for anyone's good. It seems high time for some other countries—and none better than the level headed Scandinavians—to enter the debate on the future of the area. That is why I rejoiced when Manley said he was getting help from such as the Swedes and the Dutch.

The Swedes and the Dutch know what many of the rest of us know—that is, that Manley sitting in his tiny island of 5m people is no more a threat to world peace and all that the U.S. holds dear than is the Loch Ness Monster. And if Washington can't accept that from Manley himself it might accept it from the conservative governments in Stockholm and the Hague. They could add that if socialist governments are allowed to be members of NATO, they should be allowed in the Caribbean. And while European governments might be able to interpret Jamaica and the rest to Washington they might also be able to act as a convenient shock absorber between the States and Cuba, say, or the newer and more heady governments in Nicaragua or Grenada. The Cubans and Nicaraguans and Grenadians need to h etold that Washington is not the abyss of all evil, however much it seems like it to them. The Cubans, it should be added, are constantly giving signs that they would like other friends in the world than the lumbering Russians.

Involved role

So all in all, isn't there a case for Western Europe to take a more active and involved role in the Caribbean and Central America?

And I would remind those who still don't see why the politics of the Caribbean should trouble us in Europe that the world has never been closer to being burnt to a crisp than when the USSR and the U.S. were engaged in the missile crisis over Cuba. It has been my firm view since that crisis that relations between the U.S. and the Carribean are much too important just to be left to the Americans and the Caribbeans.

New law school deserves support

THE CENTRE for Commercial Law Studies will be opened tomorrow by Lord Hailsham, the Lord Chancellor, at the Queen Mary College on the eastern fringe of the City of London. The purpose of the centre will be to promote advanced teaching and research of business law—English, foreign and international

The centre will not be an international law school as advocated in this column recently but will strive for international standing. It plans to establish links with governments, industry and finance and will be arranging interchanges of leading commercial lawyers. There will be advanced courses and seminars for lawyers in industry and in practice, as well as co-operative research projects.

The primary objectives are to provide a centre of excellence for the systematic study of laws regulating national and international commerce and trade and to develop a body of knowledge and information that can be placed at the service of government, the legal profession and industry and commerce. A particular concern of the centre will be to identify legal problems of the future arising from changes in business practice, the development of computer technology — for example, information systems, electronic funds transfer in banking—and the growing trend towards harmonisation of European law.

The centre will operate primarily through a number of distinct but interrelated units, each devoted to a major branch of commercial law. It is intended to expand gradually into patents and trade marks, copyright and designs, into energy law, arbitration, corporate securities, credit and banking law and insurance as and when finance is obtained for the purpose.

An important feature of this development structure will be the integration of the work of the different units so as to produce a cohesive programme of teaching and research. The centre will also engage in other teaching and research activities not falling within the purview of a particular unit—for example, in aspects of international trade law, competition laws and conflict of laws.

The centre will be directed by Professor R. M. Goode, one of the leading commercialists who keeps in touch with legal practice and, above all, is always ready to fight for reform. He will also be chairing the executive committee of the centre. Members will include Sir Michael Kerr, the chairman of the Law Commission, Professor A. L. Diamond, director of the Institute for Advanced Legal Studies, and Professor K. R. Simonds, whose British Institute for International and Comparative Law seems ailing due to lack of finance.

Which brings me to the crucial question. Will British finance, commerce and industry treat the new centre with the same indifference which killed other attempts to compensate for the sore neglect of commercial law research and teching at English universities? So far the only major endowment has come from a U.S. educational foundation of which Mr. Herchel Smith is a leading benefactor. It amounts to some £400,000 and has been donated to provide for the Herchel Smith Chair of Intellectual Property Law, which will form the first research unit of the new centre.

One must be grateful for this blessing, by no means minor, but patents, trade marks and copyright are not the most neglected area of business law. The new unit will have a formidable task to catch up with the Max-Planck Institute for Foreign and International Patent, Copyright, and Competition Law in Munich. Moreover, patent litigation has become the arena of financially strong companies who are often more interested in gaining time and wearing down the other party than in the legal merits of their case.

Several other areas of business law seem to have a greater claim to priority because they suffer from one sort of uncertainty that can now only be resolved through costly litigation. This uncertainty is all the greater at present because of the clash between the interpretation methods used, on the one hand, by the Court of Appeal and, on the other, by the House of Lords.

This conflict between the highest courts only aggravates the uncertainty due to the historical, but thoroughly unsound quirks still cherished by many lawyers.

Only last week the Court of Appeal held* that the acceptance of an offer takes place where the message is dispatched, if sent by post, but where it is received, if telex is used. This may have the result that the contract will fall under the jurisdiction of either English or foreign courts, according to the type of communication used.

The streamlining of English business law is not one man's job and it is unfair to leave it all on Lord Denning's shoulders. The Law Commission does splendid work but it is a government agency which has not the same freedom to choose its tasks as an academic institution.

The centre could probably respond faster to the changing needs of the day, make a contribution to predictability of decisions. One can hardly hope for more, as—in contrast with civil law courts—the English courts are unwilling to recognise as authority academic writers, however excellent, as long as these are alive. This necrophilia does not help to keep business law in step with new development.

There is, however, one door slightly opened by which the new centre could step in: foreign law is treated by English courts as a question of fact, and an institution providing expertise on it—as the Max-Planck Institute does in Germany—would be very useful.

Another opening is provided for the centre by the 1979 Arbitration Act and the recent ruling† of the Court of Appeal that an arbitral award which makes business sense is preferable to a literal interpretation of the law by a judge. Unfortunately, many London arbitrators imitate judges by giving too much weight to legal technicalities and here the influence of the new centre in combination with the reduced possibility of judicial review could become very important.

The centre could benefit the London credit and securities industry, facilitate the work of the well-established London arbitrators in marine, commodity and insurance disputes, and attract to London arbitration of disputes arising from international industrial projects. In this field parties can, under the 1979 Act, contract out of judicial review and incline more and more to reliance on international rules.

However, the greatest contribution which the centre could render to business would be the provision of legal information, in the form of library services, publications or special opinions and research papers, which would help companies to avoid litigation—or at least to shorten it and reduce its extent and cost. It is a project the British business community can hardly afford not to buy.

*Court of Appeal, London, Brinkibon Ltd. v. Stahag Stahl und Stahlwarenhandelsgesellschaft mbH. TLR June 13, 1980.

†Pioneer Shipping Limited and Armada Marine S.A. v B.T.P. Tioxide Limited, the Nema. Judgment of May 22, 1980. FT May 29, 1980.

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

Gold Cup for Ireland

RACING

BY DOMINIC WIGAN

IN ONE of the most open Ascot Gold Cups for many years I believe it may pay backers to take an each way interest in Ireland's sole representative, Ardross, a bay colt by Run The Gantlet out of a Levmoss mare.

Although the form of Christy Roche's mount is patchy, a reproduction of his most recent running will see him proving a formidable opponent for six home-trained runners and France's Croque Monsieur.

In his last race, the two miles Savel Bag Stakes run on good ground at Leopardstown five weeks ago, Ardross quickened away from his 13 opponents approaching the distance to win with plenty in hand. At the line Ardross had six lengths to spare over market rival, Croghan Hill, with another well-backed rival, Hypermetric, a further three lengths away. The manner in which Roche's mount was running on there suggests that the additional half-mile of today's race will present no problems.

With Le Moss, the comfortable winner a year ago, having been beset with training problems the Warren Place five-year-old is not one I would care to take a chance with in this searching test. A better alternative is probably Vincent.

There was a great deal to like about the way in which Kirtling shaped in a 20 runner maiden race at York last month where the Wragg colt, a bay by Grundy out of Silky, would have beaten Parkdale but for losing ground through tacking over to the far side from a high draw. The Newmarket colt will be well suited by six furlongs which he tackles for the first time in the Chesham Stakes.

Thirty-five minutes after the Chesham, Stanislavsky strikes me as the one they will all have to beat in the King George V Stakes. This ever-improving colt from the Findon stable of Ryan Price, which is beginning to strike a rich vein, put up a fine performance at Haydock last time out.

Lester Piggott, seen at his most artistic on Hard Fought at Ascot yesterday, has a number of likely-looking mounts including that colt's stable mate, Lord Seymour, in the Cork and Orrery.

ASCOT

2.30—Lord Seymour
3.05—Tax Haven*
3.45—Ardross**
4.20—Saviour
4.55—Kirtling
5.30—Stanislavsky***

TV/Radio

◇ Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.47 For Schools, Colleges. 11.25 Cricket: Second Test—The Cornhill Insurance Test Series, England v West Indies. 1.30 pm Mr. Benn. 1.45 News. 2.00 You and Me. 2.15 For Schools, Colleges. 2.40 Cricket: Second Test (continued). 4.18 Regional News for England (except London). 4.20 Play School (as BBC 2 11.00 am). 4.40 Buford Files and Dinky Dog. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.05 Tomorrow's World.
7.35 Are You Being Served?
8.05 Taxi.
8.30 That's Life Report.
9.00 News.
9.25 Square Mile of Murder.
10.20 Uncle Sam's Backyard.
10.50 All About Books with Russell Harty.
11.25 News Headlines.
11.27 Tommy Trinder, CBE, recalls his life in show-business.
12.07 am Weather / Regional News.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 7.00-7.25 Heddiw. 12.07 am News and Weather for Wales.

Scotland — 1.25-1.30 pm The Scottish News. 5.55-6.20 Reporting Scotland. 12.07 am News and Weather for Scotland.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.07 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
1.30 pm Royal Ascot and Tennis (The BMW Championships).
4.30 Cricket (Second Test) and Tennis.
6.35 Open University.
7.00 Royal Ascot highlights.
7.20 Mid-evening News.
7.30 One Hundred Great Paintings.
7.40 Newsweek.
8.15 Dance Month.
9.00 Jeremy Taylor.
9.30 The World About Us.
10.20 Your Life in Their Hands.
10.50 Newsnight.
11.35 Cricket: Second Test highlights.

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie With Love. 2.00 Here Today. 2.45 Father's Day. 3.45 Superstar Profile (Michael Douglas). 4.15 Little House on the Prairie. 5.15 Batman.

5.45 News.
6.00 Thames News.
6.20 Help!
6.30 "The Captain's Table," starring John Gregson, Peggy Cummins and Donald Sinden.
8.00 TV Eye Special: Cancer—The New Weapon.
9.00 Catherine Cookson's "The Mallens."
10.00 News.
10.30 Thames Report.
11.00 Lou Grant.
12.00 What the Papers Say.
12.15 am Close: Personal choice with Ivor Mills.

All IBA Regions as London except at the following times:—

ANGLIA

12.30 pm Against the Wind. 1.20 Anglia News. 3.45 Looks Familiar. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Bygones Special. 7.30 George and Mildred. 10.30 Snooker. 11.00 Luke's Kingdom. 12.00 The Living Word.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.45 Looks Familiar. †4.15 The Bud and Lou Picture Show (Bud Abbott and Lou Costello in Hollywood). 6.00 ATV Today. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 George and Mildred. 10.30 Format V. 11.00 ATV Newsdesk. 11.05 Kaz.

BORDER

1.20 pm Border News. 3.45 Looks Familiar. †4.15 Thursday Matinee: "Take My Life," starring Hugh Williams and Greta Gynt. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 George and Mildred. 10.30 Soap. 11.00 Thursday Movie: "The Big Bounce," starring Ryan O'Neal. 12.45 am Border News Summary.

CHANNEL

12.30 pm Against the Wind. 1.20 Channel Lunchtime News, What's On Where, and Weather. 3.45 Looks Familiar. 5.15 Survival. 6.00 Report at Six. 6.35 Crossroads. 7.00 Summer 1940, Part One. 7.30 George and Mildred. 10.28 Channel Late News. 10.35 Soap. †11.05 The Thursday Film: "Carnival." 12.40 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 12.30 pm Against the Wind. 1.20 North News. 3.45 Looks Familiar. 5.15 Mork and Mindy. 6.00 North Tonight and Area Weather Forecast. 6.35 Crossroads. 7.00 Charlie's Angels. 10.30 Reflections. 10.35 Cover to Cover. 11.05 Soap. 11.35 Have Girls Will Travel. 12.30 am North Headlines.

GRANADA

12.30 pm Against the Wind. 1.20 Granada Reports. 3.45 Looks Familiar. 4.10 The Undersea Adventures of Captain Nemo. 5.15 Square One. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Charlie's Angels. 10.30 Celebration Special. 11.15 Mannix. 12.10 am What the Papers Say.

HTV

12.30 pm Money-Go-Round. 1.20 Report West Headlines. 3.45 Food, Wine and Friends. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 6.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 The Incredible Hulk. 10.35 Gallery. 11.05 Kaz.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.52-10.07 am Cymru A'r Mor. 12.00-12.10 pm Ffalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Sêr. 5.15-5.20 Cartoon Time. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 Out of School.

SCOTTISH

12.30 pm Gardening Today. 1.20 News and Road and Weather. 3.45 Looks Familiar. 4.15 Larry the Lamb. 4.25 Salvage 1. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Talking Scots. 7.00 The Incredible Hulk. 10.30 Balancing Acts. 11.00 Late Call. 11.05 Toller Cranston—Dream Weaver. 12.05 am The Practice.

SOUTHERN

12.30 pm Against the Wind. 1.20 Southern News. 3.45 Looks Familiar. 4.15 Tarzan. 5.10 Mr. Magoo Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Doctor Down Under. 10.35 Your Westminster. 11.05 Toller Cranston—Dream Weaver. 12.05 am What the Papers Say.

TYNE TEES

9.20 am The Good Word, followed by North-East News. 1.20 pm North-East News and Lookaround. 2.00 Time To Spare. 3.45 Looks Familiar. 4.15 The Lost Islands. 4.45 Salvage 1. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 North-East News. 10.32 Superstar Profile (William Holden). 11.00 Soap. 11.30 Check It Out. 12.00 Police Surgeon. 12.30 am Quiz of the Week.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 Sounds of Summer. 7.00 Emmerdale Farm. 7.30 England, Their England. 10.29 Ulster Weather. 10.30 Enterprize (The China Syndrome). 11.00 Family. 11.55 Bedtime.

WESTWARD

12.30 pm Against the Wind. 1.20 Westward News Headlines. 3.45 Looks Familiar. 4.15 Gus Honeybun's Birthdays. 5.15 Survival. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Encounter. 7.30 George and Mildred. 10.32 Westward Late News. 10.36 Soap. †11.05 The Thursday Film: "Carnival," starring Sally Gray and Michael Wilding. 12.40 am Faith For Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

12.30 pm Tell Me Another. 1.20 Calendar News. 3.45 Looks Familiar. 5.15 The Lincolnshire Show. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Lingalongamax. 10.30 Music at Harewood: John Amis and Donald Swann. 11.00 Fantasy Island. 12.00 Superstar Profile featuring Gene Wilder.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Paul Gambaccini. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ascot Gold Cup Special with Ed Stewart and Iain St. Clair. 6.05 Much More Music (S). 8.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.02 Wit's End. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: The Court of Burgundy (S). 9.35 BBC Concert Orchestra (S). 10.35 Violin and Piano (S). 11.15 Cricket: Second Test—The Cornhill Insurance Test: England v West Indies, including 1.35 pm News, 1.40 The Great Match—The Lord's Test of 1936, and 2.00 Lunchtime Scoreboard. 6.40 Delius. 7.00 Talking About Music (S). 7.30 As Radio 4. 9.30 In Remembrance of Things Past. 10.00 Harpsichord recital (S). 10.30 Building a Library of records (S). 11.00 News. 11.05-11.15 Purcell (S).

VHF—With Medium Wave above except as follows: 6.00-7.00 am Open University. 11.15 A Tchaikovsky Concert in Chicago, part 1 (S). 12.00 Interval Reading. 12.05 pm Concert, part 2. 1.00 News. 1.05 Bradford Midday Concert (S). 2.00 Austrian Viola d'Amore Music (S). 3.00 Rachmaninov and Schubert concert (S), including 3.40 Interval Reading. 4.55 News. 5.00 Mainly For Pleasure (S). 6.20-7.00 Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Clubland Heroes (Edgar Wallace). 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 Analysis. 11.50 Smith on Survival. 12.00 News. 12.02 pm You and Yours. 12.27 Quote . . . Unquote. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.18 Any Answers? 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1980. 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Berlin Philharmonic Orchestra concert, part 1 (S). 8.20 Geoffrey Moorhouse Revisits The West Country. 8.40 Concert, part 2 (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 5.00-5.00 am Join Radio 2.

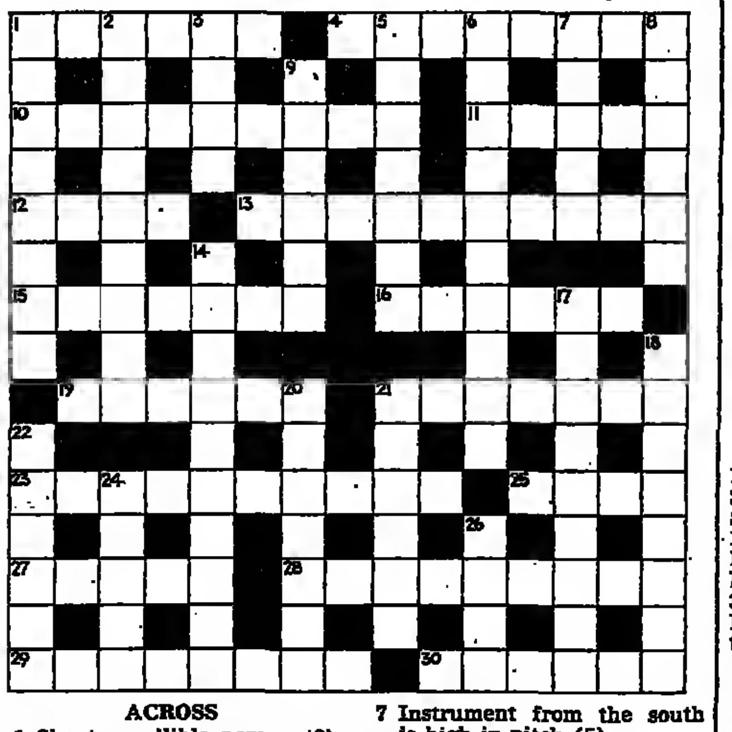
London Broadcasting

5.00 am AM with Bob Holness and Douglas Cameron, including interview with photographer David Redfern. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 pm Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 1.00 pm London Today First Report (S). 1.10 Dave Cash continued. 3.00 Roger Scott (S). 7.00 London Today (S). 7.20 Lord George-Brown's Capital Commentary (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am John Sachs's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,301



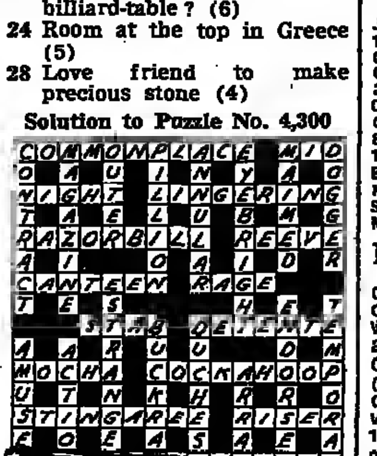
ACROSS

1 Shoot a gullible person (8)
4 Planner in favour of model (8)
10 Plant making precious metal measure staff (6-3)
11 Former turn that is precise (5)
12 Horse-fly initially caught by leg (4)
13 Reserve goalie may be an accountant (10)
15 Drag snake with tip of its tail in tower (3-4)
16 Gang the French cherish (6)
19 Money would be turned round for curdler (6)
21 Approved notice and chose to follow (7)
23 Two items of table-ware seen in shop window (5-5)
25 Stuff to overfeed (4)
27 Spot a learner referring to dowry (5)
28 George giving gold to religious crowd (9)
29 Judge a piece of hi-fi equipment . . . (8)
30 . . . and another piece for sportsman (6)

DOWN

1 Wisdom contained in legend on large town (8)
2 Pass bond for friend (9)
3 Jug animal before roasting initially (4)
5 Communist's family could be Indian (7)
6 Claim to show pretext (10)
7 Instrument from the south is high in pitch (5)
8 Come back to soak vessel (8)
9 Test fish going around front of yacht (3-3)
14 Grain seller is to trade in secret place (4-6)
17 Delayed a partial recovery of the side (9)
18 Rodeo met in unusual order, but it should indicate the distance travelled (8)
20 Discharge soldiers on contract (7)
21 The entire property of a company as fixed on September 1 (6)
22 Arachnid needing a rest on billiard-table? (6)
24 Room at the top in Greece (5)
28 Love friend to make precious stone (4)

Solution to Puzzle No. 4,300



THE ARTS

Aldeburgh Festival

Britten and Auden

The young Britten's music for lively pre-war enterprises like the GPO Film Unit and the Group Theatre is less important for its own qualitiea (though they are not negligible) than for the experience it gave the budding opera composer. That did not make the survey undertaken at the Jubilee Hall on *Monday* less valuable. Such a survey was overdue and Aldeburgh was the place to do it. And in Aldeburgh, the Jubilee Hall was the right venue: for soma a tabernacle of nostalgia, for others a symbol of the "good works" aspect of English culture and of the puritan *streak* that likes indulgenca in the arts to be partly atoned for by physical discomfort.

This programma, devised by Steuart Bedford (who provided two of the four hands at the piano) and Donald Mitchell (who acted as compère) was otherwise played, sung and *acted* by students from tha Guildhall School of Music and Drama. It embraced the Auden-Isherwood *Ascent of F6* in an abridged versinn made for the occasion by Jill Burrows and Geoffrey Collins, some music from the *same* anthors' *On the Frontier*, a scene from Priestley's *Johnson over Jordan* (how many remember that Britten wrote the incidantal music for that play?), a number from *Paul Bunyan* and the "lurcher-loving collier" from the film *Coalface*.

Legendary territory, and the glimpse we were given was welcome aven if the Britten canon may not be greatly enriched as a result, and even if the enjoyable, able and enthusiastic student performers not surprisingly lacked the degree of polish and punch such music needs. *F6* was semi-staged, with scripts at the ready. Edges were too soft for the tricky mixture of caustic verse and schoolboy subversiveness. The authors diluted German expressionism and cabaret style in the English manner — there should nnt be further dilution in performance. Though Britten's ability to strike aparks from the simplest materials is unmistakable, and the transparency of the four-hand piano writing typically delightful, the music for *F6* proved less of a rediscovery than one bad hoped. In this rendering, at least, the "Stop sll the clocks" blues wss an anti-climax.

Tha three numbers from *On the Frontier* made a sharper, more positive impression. The *Coalface* episode survived performance out of context. Tha "Lullaby of Dream Shadows" from *Paul Bunyan* (the bridge between the prentice work and the sudden operatic maturity of *Peter Grimes*) was worth hearing if only to show how right Britten was to reject the number when the operetta was revived at Aldeburgh.

*

Quick notes on two of tha week-end concerts. The Brahms-Mahler evening given by Sarah *Walker and John Shirley*-Quirk with the indefatigabla Stenart Bedford as accompanist consisted nominally of "songs and duets," some of the latter being really solo songs in which "he" and "she" speak in turn and which can ha divided between two singers. Even with artists of this high calibre the trick grows monotonous —one looked forward to the occasions when both were heard together in real duets. Nevertheless there were many lovely moments, with Miss Walker at her most relaxed and radiant, Mr. Shirley-Quirk sometimes boomy but performing feats of vocal dellcacy. Mr. Bedford'a control of Mahler'a soft fanfare-figures was prodigions.

At the Sunday afternoon concert by the Aldeburgh Festival Singers and the English Symphony Orchestra under Peter Aston, the choir was heard to best advantage in a vigorous Mozart Requiem. In the first half balance was so-so and the manner too heavy for the Choral Dances from *Gloriana*, where the unaccompanied voices must (bnt scarcely did) suggest dancing.

RONALD CRICHTON

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, mannfacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1979							
1st qtr.	110.4	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.9	107.1	107	106.2	144.8	1,299	256
3rd qtr.	112.7	103.1	99	99.5	144.6	1,269	247
4th qtr.	112.5	103.9	105	101.7	151.9	1,286	230
Nov.	114.0	105.4	112	102.5	153.2	1,282	234
Dec.	112.0	103.7	104	101.7	153.1	1,294	219
1980							
Jan.	111.5	102.2	87	103.1	155.5	1,339	207
Feb.	110.2	100.9	97	103.9	158.5	1,414	161
March	108.9	98.4		102.6	159.4	1,414	181
April	108.2	99.9		102.3	161.0	1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering ontput, metal manufacture, textilea, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
1st qtr.	105.9	99.2	127.0	98.8	98.4	100.0	12.9
2nd qtr.	108.6	102.9	133.1	102.7	110.0	103.0	21.3
3rd qtr.	105.8	96.2	132.3	95.0	103.8	100.6	21.0
4th qtr.	104.9	101.3	129.7	99.2	102.6	95.6	18.1
Nov.	107.0	103.0	132.0	101.0	105.0	98.0	19.4
Dec.	105.0	103.0	128.0	101.0	100.0	93.0	15.0
1980							
Jan.	106.0	102.0	127.0	101.0	65.0	94.0	13.2
Feb.	104.0	103.0	124.0	100.0	59.0	91.0	11.4
March	102.0	99.0	124.0	96.0	65.0	89.0	12.2
April	102.0	101.0	122.0	97.0	85.0	69.0	14.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visibla balance	Current balance	Oil balance	Terms trada	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.76
2nd qtr.	135.3	128.9	−486	−31.0	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	+ 88	102.6	22.72
1980							
1st qtr.	131.3	126.5	−723	−417	−126	100.7	24.87
Jan.	129.8	128.0	−315	−213	− 76	100.9	23.71
Feb.	136.5	128.9	−232	−130	− 45	100.6	23.93
March	127.7	122.7	−176	− 74	− 5	100.6	26.96
April	127.2	127.6	−264	−214	+ 44	101.8	28.01
May	130.2	121.4	− 18	+ 32	− 10	102.0	28.26

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the privata sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all aeasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−2.3	9.6	25.4	+1,889	634		17
Jan.	−8.1	8.7	22.6	+ 777	235	668	17
Feb.	−6.4	10.0	20.7	+ 271	199	665	17
March	−2.3	9.6	25.4	− 709	200	641	17
April	−2.5	5.3	19.1	+ 671	266	676	17
May					225		

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Dec.	165.1	187.5	183.4	139.4	239.9	295.13	69.7
1980							
1st qtr.		197.6	191.5	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	252.2	251.1	284.47	72.6
April	174.8	202.4	197.0	260.8	254.1	275.67	72.6
May		206.6	199.3	263.2	256.7	268.23	74.3

* Not seasonally adinsted.

Stratford, Ontario

At the Festival Stage

by B. A. YOUNG

The climax of the *first week* at the Festival Stage, Stratford's bigger theatre, came with *Much Ado About Nothing*, which opened, God save us, on Friday the 13th. We happy few have seen Maggie Smith's incomparable Beatrice before, in Zeffirelli's production at the Old Vic; but we have not seen her before play it opposite Brian Bedford.

Mr. Bedford (to ignore the traditional courtesy of ladies first for once) has become an actor in the top flight. His Benedick slouches on as if he were stil on active service; the beard that so discourages Beatrice is more likely due to idleness about shaving than any touch of personal vanity. And he is still a soldier all the way through, scorning Balthasar's ornate 'Sigh no more," confessing his inability at poetry. But his military wit sounds wonderfully funny as he speaks it, sometimes almost leaving the end of a sentence out to get on with the next. One left quoting the jokes as if they were something new by Noel Coward.

Miss Smith's Beatrice, in a wig redder than her hair ever was, matches him ideally; the verbal conflicts fall on the ear as if for the first time. For all her spinsterish intentions, this Beatrice is never butch; her long-delayed surrender, once the business of killing Claudio has been resolved (with some original redistribution of the lines), is simply like finding the centre in an already enjoyable chocolate.

Against such a pair, Claudio and Hero can do no more than hint at their romance, but the tall, handsome Stephen Russell and the short, blonde Diana Leblanc do well enough. Mr. Russell's five-second pause, of amazement on first seeing Hero is good.

One of the main joys of the production, characteristic of Robin Phillips's work, is to see the stage peopled with 30 or 40 characters in their splendid 17th-century costumes (Robin Fraser Paye). This use of the hig company, both as stage dressing and to effect instant scene-changes on the virtually *bare* stage, involves casting trainee players alongside their more experienced colleagues as attendant lords, servants, sailors, what have you; for Mr. Phillips believes that training must include the experience of being on stage with a good company before an audience.

Brian Bedford is also seen as a beautiful Malvolio in *Twelfth Night*, again directed by Mr. Phillips, which opened the season. This is as lovely to look at as *Much Ado*—both have admirable sets by Daphne Dare, an adept at the use of Guthrie's open stage—but it's a little overweighted on the comic side (no bad fault). Patricia Conolly is a handsome Viola in her brown velvet; Jim McQueen so musical as Orsino that there were times when I felt I could set down his intonations on a five-line stave; Pat Galloway suggests an Olivia less withdrawn than usual. But Malvolio, Feste and Aguecheek run away with the honours.

Errol Slue as Aaron and Pat Galloway as Tamora in 'Titus Andronicus'

Mr. Bedford's Malvolio is free from extraneous fooleries (though when he intrudes on Toby's midnight revels he does have a teddy-bear under his dressing-gown). He is simply a butler who is "sick of self-love." Feste is played by William Hutt as a Fool who has already retired from business; he wears country clothes, but motley, and allows himself such liberties as sitting down in Olivia's presence. Richard McMillan, one of Stratford's best young actors, makes Aguecheek so funny under his stringy blond hair that Barry MacGregor's Scots Toby never blossoms as he should.

There are two productions of *Henry V*, to show off two actors in the lead. I felt on my first visit, and reinforced the feeling on my second, that there was a touch of cynicism in Maurice E. Evans's voice as the Archbishop of Canterbury sang the praises of the young King. They'd have been justified for Richard Monette's Harry; he speaks with a musical delivery but restraint of expression that suggests he might still be posing as be did when as Prince Hal (which he played last year) he confessed that he only runs with the Falstaff gang so that he can subdue them later. His cold King is so shifty as I have myself always thought that monarch.

But if Monette gives my private Harry, Jack Wetherall gives Shakespeare's *in excelsis*—handsome, golden-haired, his face young, candid and humorous, his voice adorning the words with all their traditional glory. The short scarlet tunic John Pennoyer gives him to wear makes him look like a Guards ensign (but be shouldn't let it show when he's quarrelling with Williams—another able performance by Richard McMillan). He speaks "O god of battle, steel my soldiers' hearts," truly like a prayer, when it is only a squalid bargain with the Almighty, as Monette realised.

There are some script cuts I was sorry for: Orleans doesn't say that the English are shrewdly out of beef, and we lose Fluellen's comparison of Henry with Alexander the Pig—a shame with such a nice Fluellen as Barry MacGregor's. Diana Leblanc handles Kate's French dialogue as truly as her name suggests she should. The Chorus is given an intimate reading by Douglas Rain, who comes on in *a white* crew-neck sweater and dark trousers as if he were indeed a commentator on the performance rather than a participant. I thought the lighting too consistently dark, but it enables the battle before Harfleur to look splendid when it consists only of some swirling drapes and a volley of arrows fleeting through the light—very telling, this bit.

Titus Andronicus completed the first month's schedule, in a revived production under Brian Bedford. Anyone can make this seem like a foolish play, but this production is taken seriously; and indeed there's no reason why it should not be taken seriously, as much so at any rate as, say, *Tomburlaine*. It begins with a splendid show of black-and-silver (Desmond Heeley, designer) when Jack Wetherall's Saturninus, black-haired this time, makes his claim to the crown against Bassianus (John Wojda); to give way to an explosion of gold as William Hutt's Titus brings his dead sons home from the wars in coffins of immense luxury.

The play is rich in dramatic scenes. The sinister events around Aaron's pit, which succeed in disposing of three of Titus's sons in a moment, can easily seem silly, but they work very well here in deepest darkness. (Could have used a bit more light on sunlit Rome, all the same.) There is a horrid excitement as Lavinia leafs through young Lucius's books with her stumps, even though young Lucius is deprived of my favourite line, "My Aunt Lavinia follows me everywhere," something Michael Totzke may regret when be writes bis autobiography. There is a terrible chill as Saturninus pauses before killing the clown with his pigeons. Aaron (Errol Slue, a black actor with a rich voice) strangles the Nurse with one hand while be holds Tamora's black baby with the other. I was disappointed by the calm with which Titus cut off his own hand, almost as if he were cutting a log for the stove; but rightly or wrongly, when one has seen Olivier do this as he did it at the other Stratford, it can never be the same. Pat Galloway is a properly sinister Tamora, and Stephen Russell and Rodger Barton as her sons are more sinister still, and thoroughly deserved to be eaten in a pie by their mother.

Once more my overall impression is of the apparent affluence of the company, with its huge This is in fact an illusion; apart casts—44 players even in *Much Ado* — and beautiful designs. from *Titus*, the cost of productions is remarkably low, Daphne Dare, the head of design, having learnt how most effectively to use materials in this theatre. But oh, how nostalgic it is to see a stage really full of actors, so full that there is barely room for them. All right, it is quite a small stage. Yet when will Stratford-on-Avon be able to look like this again?

Holland Festival, Amsterdam

Three 'new operas'

by DAVID MURRAY

It was possible, if possibly imprudent, to hear three new operas last weekend at the Festival. "New operas" is not quite right, for Karlheinz Stockhausen's new *Michaels Heimkehr* is but a Thursday fragment of his vast days-of-the-week cycle *Licht*, a continuing project; and Jan van Gilse's *Thijl* was composed in 1940, though never staged until now. As for Peter Schat's *Aap*, variously described as a "strip-opera" and a "circus-opera," it is a show recognisably in the genre of Stravinsky's *Histoire du Soldat*, albeit sung and considerably more extended.

Year after year, Schat has enlivened the Festival with brightly coloured music-theatre pieces, often of a broadly political bent. *Aap* is tauter and more self-contained. The full Dutch title goes into English as "Monkey Subdues the White-Bone Demon"—one of many episodes omitted from Wu Cheng-en's 16th-century novel *Monkey* in the familiar Arthur Waley translation, though many parents will know it as a children's story. The "strip" in question, which directly inspired the opera, is a later illustrated version of the tale. A little band of bumbling pilgrims *en route* to India is assailed by the (coloratura) White-Bone Demon, who longs to taste their leader's saintly flesh; her successive ruses are foiled by the shrewd demi-god Monkey, a member of the party. There are rich opportunities for theatrical *chinoiserie*, in the stylised athletic terms of Bruce Lee, as unworldly Good is rescued from demonic Evil by sheer tough-minded energy.

At the Sunday matinee in Schat's circus tent on the Frankendael, there were whole delighted families: *Aap* plainly deserves an English run at the Roundhouse. Schat's score is concise, well-made and professionally apt. If the conservative contours of his music are no longer disguised by flashy effects, it is excellently paced, and honestly consistent—Schat studied with the exacting Matsay Seiber—as, say, Richard Blackford's recent *Fig Opera* blatantly was not. The demands of the vocal writing were met by an excellent cast who struck off their briskly sketched characters with no less panache. Ed Spanjaard kept the music in confident order; the simple, effective staging by Anne Marie Prins left room for a more ingeniously mannered realisation another time.

Thijl proved to be our old acquaintance Till Eulenspiegel, firmly planted in his native Flanders soil. Jan van Gilse (1881-1944) was a respected academic composer, steeped in the German tradition. As World War II drew on, his German contacts seemed too ambiguously close for comfort, and at the last he was hiding under an assumed name. *Thijl* is a heartfelt (though leisurely) national epic—Smetana's *Dalibor* and some early Verdi come to mind, bnt the musical language is essentially that of Pfitzner and Othmar Schoeck. Little is made of Till-the-joker after the folk capers of the first act, thongh the lusty-volced John Brocheler *sustained the character with* pugnacious lower lip and cod-piece. As in Pfitzner's *Palestrina*, there is a vast and visionary second act which conjures up the threatening political powers (there are monstrous apparitions of Philip of Spain and Don Carlos, remote from Verdi's version), staged to sensational effect by Gilbert Deflo and culminating in a rousing call to liberty.

Act 3 brings us back to rough earth, with Till in a losing confrontation with the professional military (a crusty, baleful Admiral Lumey by Guus Hoekman, warmly remembered here as Debussy's King Arkel at Glyndebourne) amidst a grand blizzard. Before an epilogue with Till's hey-presto resurrection, there is a long orchestral interlude, a rich elegy that evokes *Parsifal* and Mahler's ninth more than anything else: here the limits of van Gilse's well-learned idiom became clear. But Anton Kersjes had prepared the score admirably, and Deflo's visual injections of Brueghel were to the point; Peter van der Bilt's ballad-singer made a strong lynchpin for the visionary act. There was fervent acclaim by the informal Festival audience in the Stadsschouwburg, before they melted away among the merrymakers on the Leidseplein outside.

Stockhausen's first Thursday act from his ongoing apocalypse was discussed on this page by Dominic Gill last year, and in the Concertgebouw it still answered exactly to his description: a wild mélange of grandiosity and bathos, studded with arresting musical inventions and stubbing its toes repeatedly on painfully whimsy bits of theatre. That is *Michaels Jugend*; *Michaels Heimkehr*, which will belong to the last Thursday act, is mostly a mystical celebration. If it is intermittently baffling, its sweeping breadth and organised power are not to be denied. In this heaven-storming vein Stockhausen has no contemporary rival but Messiaen, and the sense of continual excited discovery is Stockhausen's own. Large forces are massively in play, set off by brilliant individual turns (opportunities here for various Stockhausen children to display their gifts). The composer and Peter Eötvös controlled the proceedings; the black soprano Annette Meriweather was an imposingly assured earth-mother, and Matthias Hölle a bass Lucifer on a godly scale. The whole of Thursday is due at La Scala, Milan—our children may have to wait for the completed *Licht*.

Bristol Old Vic's London visit

There will be another chance to see the Bristol Old Vic Company's *A Midsummer Night's Dream* when it comes to the Old Vic from June 24-July 19.

Directed by Richard Cottrell, tbe production has Clive Wood as Bottom, Nickolas Grace as Puck, Meg Davies as Titania, Robert O'Mahoney as Oberon and Louise Jameson as Helena.

This is the Bristol Old Vic's *first* visit to *its* sister theatre since 1964.

Theatre Upstairs

Rutherford and Son

by B. A. YOUNG

Rutherford runs a glassworks, like the author K. G. Sowerby's grandfather. He is a tyrannical employer and a tyrannical father, as all such factory owners were in the theatre of 1912, when the play began its first successful run. He is obsessed by the need to leave Rutherford and Son to his son in due time, but his ways are so unbending that in the course of 12 hours he loses his son John after stealing from him a new formula for white metal, his son Richard, appointed a curate in another place, and his daughter Janet, who has been so uncaring of the family honour as to fall in love with a common working man. What makes it worse is that Martin, her love, is Rutherford's trusted foreman.

The plot is ingenious and would be gripping if the version of the play by Michelene Wandor did not leave loose ends flapping. What were the crimes that Janet knew of, that might have put her father in the hands of the police if the family had not been so discreet? And how could Martin tell his employer that he had always been honourable, when Rutherford has just coolly persuaded him to reveal *John's secret formula*, which only he and John knew? These untidinesses apart, the account of Rutherford's ride to disaster under the banner emblazoned "It's for Rutherford's!" is very good, and John's wife Mary's cunning way of ensuring that the firm will at least descend to Rutherford's grandson if not to his son is neat.

Mrs. Worthington's Daughters (the players) hardly plumb the emotions to the root, but they give us the words well enough to convince us of where we are and among whom, though some characters don't fit precisely into their designated slots. John (Peter Clancy) has been sent to Harrow to learn how to be a gentleman, yet he still has a pronounced Lancashire accent and seems more like a Lancastrian playboy at Hindle Wakes. *Mary* (Ann Engel), on the other hand, never persuaded me that she was a common shopgirl. Stuart Barren is suitably rock-like as Rutherford, looking like an elderly D. H. Lawrence, and Maggie Wilkinson as Janet is equally rocklike until she leaps into the arms of Martin (Geof. Atwell), who looks like a young D. H. Lawrence. Julie Holledge's direction needs more pace among other *things*.

Wigmore Hall

Chilingirian Quartet

by ANDREW CLEMENTS

The progress of the Chilingirian Quartet to date has been sure and measured, and it was characteristic of them to bring to the Wigmore Hall not a complete Beethoven cycle, with some works not yet ripened and fully explored, but a short series—three concerts—to establish their interpretations and to pave the way for greater things. The series ended on Tuesday evening. The previous pair of concerts had fallen into the traditional mould of Beethoven quartet programmes, juxtaposing works from the beginning, middle and end of his life, but to close the Chilingirian were more original: the last of the op. 18 set prefaced the two string quintets, with the misleading opus numbers of 104 and 29.

As a sampler of the entire series op. 18 No. 6 (in B flat) could have been chosen intentionally. It is the most prophetic of the entire set, in looking forward to the Rasumovskys and beyond, across 30 years, to the last quartets. The Chilingirian found most in the adagio—a wonderful moment when Levon Chilingirian gilded the pianissimo demisemiquavers around the second theme with the thinnest of silvery tones—pacing it almost to perfection. For faster movements they tend to favour extremes: the *scherzo* would have been immaculate had it been taken a shade slower, but evidently they are willing to trade some *surface* roughness against immediacy and energy.

For the two quintets the Chilingirian players were joined by Simon Rowland-Jones, a member of the Quartet himself until two years agn. The novelty was the apparently "late" quintet, rarely played. Hugh Wood's programme note called it a "recreation of a very familiar early masterpiece," for it is an arrangement of the C minor piano trio op. 1 no. 3, in the main by one Herr Kaufmann but with emendations by Beethoven *himself*. Idle to pretend that the original does not convey the greater freshness and clear genius. Tha arrangement tries too hard to be genuinely contrapuntal, to the extent of providing extra non-functional lines; only the coda of the first movement gains from the extra weight of string sonority. The Chilingirian gave it a more devoted performance than the piece could really expect.

Elizabeth Hall

Mark Lubotsky

by PAUL DRIVER

It was a sparse but shrewd audience that turned up on Tuesday night to hear the Russian violinist Mark Lubotsky give his first South Bank solo recital. Though he has been appearing quite frequently in Britain over the past few years ha remains principally known, *perhaps*, for his recording with the composer of Britten's concerto (his only entry in our record catalogues, alas) and that performance certainly encouraged the highest expectations for Tuesday. Partnered with the utmost aplomb by his compatriot Ljuba Edlina—they have been playing together since 1956—Lubotsky offered us music-making of an intellectual sharpness and emotional intensity that comfortably fulfilled them.

Lubotsky has a technique that is equal to anything and a tone that is naturally luminous, but he also has the strength to *impose* neither. The sound he produced for the first movement of Mozart's Sonata in A (K 526) reflected considerable interpretative deliberation and lack of self-regard: no false romanticism here, but simplicity of style and a nasal, even pinched, tone that was also sweet and sunny. If one demurred for a moment. Lubotsky's calm authority quickly convinced. The second movement had, fittingly, a smoother, serene quality of sound. It was a masterpiece of collaboration, Miss Edlina's left hand proving outstandingly poetic, and taken up on occasions at the octave by Mr. Lubotsky with corresponding grace. The finale, different again in projection from the preceding movements, had a glittering engagingness.

Just how much was being held back in the Mozart became apparent when the players addressed the rugged obliquities of Bartok's first sonata (1921). All their virtuosity and a formidable concentration were needed to bring off this modernist classic, which even today remains excitingly alien in its harmony and thematic austerity. The first movement gave full scope to the sonorous breadth of which Lubotsky is capable, and, in its nocturnal evocations, to his technical dexterity. But it was the architectural sense the duo showed in sustaining the movement's extended span and rounding it as if it were a work in its own right that chiefly impressed. Similar insight were in evidence in Cesar Franck's sonata: they closed its opening movement with an impeccable upbeat inflection before plunging fervently on into the allegro. One did feel that the pathos of this work's Recitativo third movement might have been emphasised more: its dying fall was not very imploring. But that was small price to pay for a début (if it can be called that) of such astonishing mastery.

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Management misinformed

IT IS now nearly five years since the Sandilands Report launched the debate on inflation accounting. It unfortunately got off on the wrong foot, and started a long technical and academic wrangle. All the same, the report did win wide attention for the subject, and after a series of false starts the publication of the Hyde guidelines in 1977 laid down tha basic principles which still apply.

Since the aim of inflation accounting is to separate the real from the illusory element in profits at a time of inflation, and show how far a company is maintaining its real capital, an innocent outsider might suppose that adjusted accounts would be of central interest to managers, wage bargainers and all those whose livelihood depends on the long-term survival of the enterprise. Shareholders, perhaps, might be a little less fastidious about whether their dividends represent real earnings or a covert distribution of capital, provided they are big enough.

In fact the emphasis has all been the other way The accounting profession has done the donkey-work. The pressure for realistic figures has come from those representing shareholders—notably the more alert investment analysts and the Stock Exchange itself.

Mandatory

Management has never shown much enthusiasm for the topic, but for large companies, at any rate, a current cost statement will in future be mandatory. It is an unpleasant surprise, then, to discover that this statement still seems to be regarded by most of those concerned as an academic footnote to the misleading accounts which are still the main exhibit in nearly every company report. Today, a Bank of England survey of 40 companies mainly large (28 with a turnover above £100m), and selected for their interest in these topics, shows that less than a quarter use current cost accounts as their primary source of management information. Of the rest, half use a current cost footnote to historic cost figures, or will do so when they get rund to it, and half have no intention of using such figures internally at all.

There are, of course, difficulties, but no respondent thought it would be unduly costly to produce the information. They argued, rather, that it might muddy the water in a number of ways. Within groups, the gearing adjustment might be arbitrary, reflecting the exigancies of group financing policy rather than anything economically meaningful. More commonly, it was argued that current cost figures would not be understood—by the managers themselves, by trade unions (who might suspect sharp practice), or indeed by shareholders, who might lose confidence in the management.

Unrealistic

Perhaps the most honest managers were those who admitted to a feeling of helplessness. Current cost accounts, they were aware, would show thoroughly inadequate profit margins—for real rates of return, as measured in another Bank of England study, have fallen by nearly 60 per cent since 1970. But what could a management constrained by foreign competition do about it? The implied suggestion that current cost accounts will be useful only when market conditions permit a large cost-plus raid on the customers is in its way even more disturbing than the general will to be misinformed.

It is small wonder that managements concede unrealistic pay settlements and soft pedal efficiency drives if they continue to believe that their companies can survive indefinitely on stock "profits" which simply involve ever-larger borrowings. The few companies with a real sense of priorities have educated their managements and are educating their workers to understand realistic accounts, rather than muddling on with rule of thumb ratios. Stockbrokers and financial commentators are already providing some generally painful education, and the Bank of England has contributed most usefully with this survey. It is to be hoped that it will be extended and repeated—with better results.

Jordan is not the problem

THE U.S. Administration has believed, correctly, at least as far back as the Camp David agreements of 1978, that Jordan should have an important role to play in any durable Middle East settlement, and President Carter said last week that he would use all his powers of persuasion to get Amman to join the peace process. No one expected that King Hussein would, during this week's visit to Washington, make any sudden shift in his arm's-length attitude to Camp David, but it must also be clear that a change in Jordan's position would not by itself be enough to make any major difference to the prospects for a settlement: for that, there must also be real changes in other parts of the Middle East checkerboard.

Annexation

The West Bank was part of Jordan until its annexation by Israel after the 1967 six-day war. Even if it were to become an independent state, it would have only two neighbours, Jordan and Israel. About half of Jordan's population is Palestinian rather than Jordanian. Geography and history both dictate that Jordan must be directly involved in any effective peace negotiation on the future of the West Bank, and the Camp David agreements expressed the hope Jordan would participate in negotiations on the Palastinian problem.

Unfortunately, the Camp David agreements took no cognisance of the fact that the Arab League had already, at the Rabat summit of 1974, seriously undermined King Hussain's legitimacy as a spokesman for the West Bank, by declaring that in future the Palestine Liberation Organisation (PLO) would be the sole representative of the Palestinian people. It was thus impossible for King Hussein to take up the Camp David offer without breaking with the rest of the Arab League, and he has never shown the slightest desire to go that far.

It may be argued that the Arab League was unwise to have denied so categorically Jordan's irrefutable claims to be closely involved in any future dispositions for the West Bank. The fact is that the League did deny these claims, and unless it should revise its position, King Hussein's scope for participating in the peace process will be severely circumscribed at best.

A much more serious obstacle to any meaningful Jordanian participation in the peace process is the attitude of the Israeli Government led by Mr Menahem Begin. While it was keen to conclude a bilateral deal with Egypt, it has never at any moment shown any sign of being prepared to make those concessions on the West Bank issue which could give the so-called autonomy talks even a chance of success. On the contrary, with every passing month it has seemed more determined to tighten its hold on the West Bank.

Israel's opposition Labour Party believes that a solution to the West Bank could lie in some kind of arrangement between Israel and Jordan. For a transitional period, such an arrangement might at one time have been just about acceptable to the PLO, but today it seems to be putting its faith in confrontation with Israel and in a more militant joint strategy with Syria. In any case Israeli elections are not due until November 1981, so Mr Begin may still be in charge for another 16 months.

What is needed, if there is to be any hope of progress, is a radical change of attitude on the part of the Israeli Government. It may be just conceivable that the recent EEC declaration on the Middle East, which called for the self-determination of the Palestinian people, will in time cause the Israeli people to rethink their priorities, though the immediate hysterical denunciation which came from Mr Begin is not an encouraging augury for any change of heart on the part of the Likud Government.

Concession

The nub of tha matter, on any evidence we have so far, is that Mr. Begin will not voluntarily offer any meaningful concession on the West Bank. He will only do so if he is forced to do so, and such force can only be applied by the U.S., which supplies Israel with enormous amounts of money and arms. As a *quid pro quo*, he would certainly be entitled to expect a much more accommodating attitude from the PLO.

It is understandable that President Carter should look for additional help in getting some life back into the autonomy talks. But he is mistaken if he imagines that King Hussein can extricate him from a problem which has its origin in America's relationship to Israel and in the Camp David agreements. Jordan is not tha problem.

Japan: a nation unsure where it's going

BY CHARLES SMITH, Far East Editor, in Tokyo

JAPAN's domestic politics—and its view of its role in the outside world—are in a greater state of flux today than at any time since the mid-1950s. To say the country does not know precisely where it is going is an understatement. There is uncertainty not only about goals but also about the machinery and institutions needed to achieve them and, above all, about who can or should be in charge. The one certainty that remains is that Japan is one of the world's major democracies and, as such, bound by indissoluble ties to the U.S. and Western Europe.

There are at least three reasons why the Japanese feel that they may have reached a parting of the ways. The first and most obvious is that the Prime Minister (Mr. Masayoshi Ohira) has died suddenly in office and has no obvious successor. Mr. Ohira was the last of four Liberal Democratic Party bosses who held the premiership in turn from 1972 onwards after the seven-year premiership of Mr. Eisaku Sato. So long as the four were queuing up to succeed each other there was little doubt who would be the next leader of the

Japan's place under the U.S. defence umbrella has become less cosy

ruling party and not much need to consider the question of how and when a new generation of leaders would move in to take their places.

Mr. Ohira was 70 at the time of his death and had shown every sign, until a month or so beforehand, of being determined to hang on to the leadership at least for as long as any of the men who had preceded him. His sudden removal from the scene opens up a three-cornered contest between a notoriously hawkish but otherwise unpredictable leader of one of the party's major factions (Mr. Yasuhiro Nakasone); a former businessman who belongs to a fringe group in the Liberal Democratic Party that was at daggers drawn with Mr. Ohira, (Mr. Toshio Komoto); and a fairly young and relatively untried member of Mr. Ohira's own former faction — the economic expert, Mr. Kiichi Miyazawa.

These three men are so different from one another both in character and in their qualifications for the leadership that only the rashest gambler would at this stage put any money on any one of them. Bets on the succession may start to be placed within days of next Sunday's "double" election to the Upper and Lower Houses of the Diet. But these elections are themselves another potential turning point in Japanese politics—given the strong possibility that the LDP could lose its overall majority in the Lower House and thus end a winning streak which has given the Party a monopoly of political power since it was formed in 1955.

The reasons why the LDP's chances on Sunday are viewed with extreme caution, at least as far as the Lower House is concerned, are not hard to understand. The party barely scraped past the post at Japan's last general election in October 1979—or, to be exact, did not scrape past but had to "assemble" a majority in the Lower House by recruiting to its ranks conservative independents who had been elected without joining the LDP. In this year's hastily called election there will be fewer conservative independents because the people concerned had no time to prepare their candidacies after the Diet was dissolved in May following the surprise passage of a no-confidence motion against the LDP.

A second ground for uncertainty is that the LDP entered the election in a state of extreme disunity following a series of battles between the intra-party groups supporting and opposing Mr. Ohira. There have been signs of a patching up of differences between rival factions during the three-week campaign that ends this week. But the repairs have been distinctly superficial and the impression remains that a squabbling bunch of factional groups has buried its differences temporarily in the interests of survival through one more general election.

Squabbling between factions that are in essence no more than the personal following of individual party leaders dedicated to putting their man into the premiership has been endemic since the formation of the LDP. In the recent past, however, what used to be a workable form of power sharing within the party has begun to seem destructive and unnecessary.

The third and final reason for the "crossroads mentality" which currently prevails in Japan is that the nation's position in the world is, or should be, provoking some lively re-thinking. Japan's place under the American defence umbrella, which looked so secure until the early 1970s, has become distinctly less cosy in the recent past as Soviet naval strength in the Western Pacific has escalated and the U.S. has begun to air a "swing strategy" which

JAPAN'S LOWER HOUSE

Party strengths after the last general election (October 1979)

Liberal Democratic Party	248
Japan Socialist Party	107
Komeito	57
Democratic Socialist Party	35
Japan Communist Party	39
New Liberal Club	4
Shaminren	2
Independent	19
Total	511

Note: 10 independents joined the Liberal Democratic Party after the election, bringing its strength to 258.

Mr. Yasuhiro Nakasone, a hawkish leader of the Liberal Democratic Party, campaigns in Tokyo: the electioneering style is distinctly American.

could shift its forces from the Far East to the Middle East in an emergency.

Simultaneous with the appearance of "holes" in the defence umbrella has been the emergence of a new source of strain in the economic and political relationship between Japan and the U.S. Japan has begun to find in the past two years, and more especially in the past six months that its interests *vis-a-vis* third countries are not necessarily always congruent with those of the U.S. This is especially the case when the country concerned happens, like Iran, to be a major economic partner of Japan but a bitter adversary of Washington.

The policy dilemmas created by the Iranian (and to a lesser extent the Afghan) crises have caused headaches at the Foreign Ministry. They have also posed the question whether or not Japan should be starting to look for a new concept of its world role to replace the post-war, and LDP-sponsored, notion of faithful but rather passive adherence to the American alliance.

In several recent instances Japan found it advisable to compare notes with the EEC countries in the hope of arriving at a joint position, even if that meant opposing Washington.

The debates about Japan's international role tie in with the LDP's election predicament, but not in the sense that the opposition parties have a clear alternative to offer to the old conservative formulas. In the mid-1950s, when the Japanese political scene was neatly divided between the right-wing and pro-American Liberal Democrats and the "progressive" and neutralist Japan Socialist Party, such an alternative did exist. Today, however, the LDP has to its immediate "left" (if the term means anything in the current confusion of Japanese politics) a bunch of small parties whose positions on defence and foreign policy are not greatly different from its own. Beyond these stands the large but ailing Japan Socialist Party which seems to have lost much of its old faith in neutralism as the solution to Japan's international predicament.

The four main opposition parties (Democratic Socialists, Komeito, or Clean Government Party, Japan Socialists and Japan Communist Party) might possibly command the numerical strength after next Sunday's election to throw the LDP out of power and make a fresh start both in the running of Japan's domestic affairs and in the conduct of defence and foreign policy. Their thinking on all the major issues involved, however, makes this impossible.

The small Democratic Socialist Party, itself the product of a 20-year-old split with the Japan Socialists, is the most rigidly anti-communist group in Japanese politics and believes more strongly in the need for "self-sufficient" defence forces than the LDP itself. At the opposite extreme the Communists persist with the view that Japan need neither defend itself nor seek protection from the U.S. but should instead depend on international goodwill by declaring unarmed neutrality.

Because the main ideological divide seems to come somewhere within the opposition forces in the Diet rather than between the Liberal Democrats and the opposition it is reasonable to suppose that a defeat of the Liberal Democrats on Sunday would lead to a coalition, or perhaps to some less formal working relationship; between the LDP and a few of the opposition groups rather than to a clean switch from the LDP to a "progressive" coalition. If the LDP fails to gain a majority by only a handful of seats (say half a dozen) it might need to do no more than offer a single Cabinet post to the New Liberal Club, a breakaway faction which left the party in 1976 in protest against Liberal Democratic corruption, but which still sees eye to eye with the ruling party on most issues.

A more serious defeat would mean that the Democratic Socialists would have to be brought into the ruling group. Far from diluting the emphasis on defence which has been a feature of recent LDP thinking (and particularly of the Ohira premiership as well as of Mr. Nakasone) the incorporation of the DSP might actually strengthen this trend. In its election platform the DSP places heavy stress on the need for beefed-up Japanese defence forces (now costing less than 1 per cent of GNP). The Democratic Socialists also believe that Japan will eventually form part of a NATO-like collective defence system including other Pacific nations.

The inclusion of one or more of the smaller opposition parties in a ruling coalition with the Liberal Democrats would, in theory, force changes in the machinery through which Japan runs its internal affairs. Based on a "scissors, paper and stone" or circular relationship between the bureaucracy, the Diet and the business world the essence of this system is one of shared control through close personal contact. The way the system works in detail is that the Diet controls the bureaucracy, (in the sense that bureaucrats must lobby individual dietmen to obtain passage of legislation their ministries are putting forward) while the business world is controlled by the bureaucrats (through the mechanism known as "administrative guidance") and in turn controls the Liberal Democratic Party (through funding).

If new faces, or even whole new parties, had to be fitted into the complex workings of this system, frictions might be expected to occur: for example bureaucrats might have difficulty in lobbying unknown and unfriendly dietmen, or the (former) opposition parties might prove reluctant to take orders from the business community. In practice, however, it looks as if the system could probably be adjusted

Loss of control by the LDP over some of the major diet committee (as opposed to the House itself) has meant that opposition politicians have already been drawn into the process of government to some extent during the past two years. The result has been to make the traditional processes a little more unwieldy than

If the factions continue their struggles, Japan could find itself adrift

before — negotiations on the Budget for example have become more complex—but not make them unworkable.

The relationships that already exist between the Liberal Democrats and at least some of the opposition groups in the Diet could mean that the transition from one-party rule to government by coalition (if that become necessary after next Sunday's election) turns out to be a fairly painless process. Far less painless will be the choice of a new leader for the LDP itself. The new man will need not only to reunify a badly divided party but also to lay down clear lines of policy on issues that have been neglected because of an excessive preoccupation with intra-party faction fighting. If he fails and if the factions continue their struggles, Japan could find itself adrift in an increasingly dangerous world.

MEN AND MATTERS

Break-out at Bowring

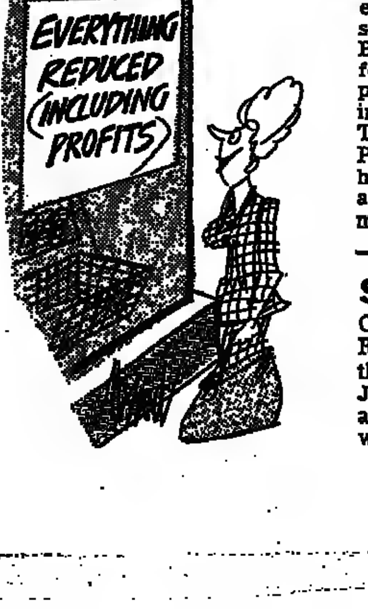
"We are the first escape committee," says Fred Shearer, who has this week tunnelled his way out of the C. T. Bowring insurance group, along with four other senior executives. Top man on the committee is Robert Ballantyne, director in charge of Bowring's North American non-marine reinsurance business. In his train have followed divisional director Shearer, director Graham McKean, and assistant directors Ken Woodhams and Christopher Mainwaring.

In concert with David Sullivan from C.E. Heath, and another who has yet to break out of another major City reinsurance house, the quintet will reassemble in the City next September under the banner of Ballantyne, McKean and Sullivan to provide North American links for their associates Allwen, Hough Johnson.

The Bowring contingent is disillusioned with the recent happenings at the old firm, which has been taken over by the world's largest insurance group, Marsh and McLennan of the U.S.

"If Bowring had not been taken over," Shearer tells me, "I believe I might have stayed there and worked out my career with them. But tha board worked the staff up to fever pitch then performed a *volte face* and sold the firm from under—or rather over—us."

While they are still working out their notices, the escapees are unable to do much work. "And there's not a lot to be done when you don't have any business," Shearer says. "So between now and September I think we shall be taking all the holiday we can expect for the next five years or so"



Set question

Ever eager to help the BBC restore its ailing finances, the Post Office has taken to sending licence reminders to Auntie herself. Buzby's eye has fallen on the World Service's Hausa language section, which beams radio programmes to Africa from Bush House in Aldwych.

Mystified by the demand, which was addressed to "The Present Occupier," Graham Mytton, Hausa organiser, wrote back saying his section did not run a television, nor had it ever. The Post Office responded with another warning.

But what is really puzzling cost-conscious broadcasting executives is why the PO should send reminders at all when the BBC pays a corporate licence fee of £30,000 a year for the privilege of using TV receivers in BBC studios and offices. This sum is collected by the Post Office from the BBC on behalf of the BBC and ultimately returned to the BBC—minus the PO's collection fee.

Saatchi double?

Can Saatchi and Saatchi give Ronald Reagan a leg-up into the saddle now occupied by Jimmy Carter? I know the advertising whizz-kids have waxed shirty over their constant identification with the Tories after the campaign that lodged Mrs. Thatcher in No. 10, but I am sure they will not mind a little reflected credit if their techniques help install the former celluloid cowboy in the White House as well.

Bill Brock, chairman of the Republican Party, came to Britain for last year's election and went away inspired by the Tories' no-holds barred media blitz. The upshot was a $5m coast-to-coast TV promotion campaign for the Republicans, who freely acknowledge that the idea owes much to S and S. It is the first time a U.S. political party has bought national air time to come to the aid of the party at large rather than a specific candidate.

Although rather wet by the Tories' tough-talking standards, the corporate commercials have gone down so well that the party is now raking through its small change looking for $2m to extend the campaign into the autumn.

Rural revival

Newcomers to developing industrial estates have to meet fairly standard requirements. They must be proven managers, produce goods for which ther is a demand, and be able to finance themselves adequately. On the Lockinge estate in Oxfordshire, however, it also helps if they have breeding potential.

Like so many rural communities, the villages of Ardington and Lockinge, which fall within the 8,800-acre fief of landowner Christopher Loyd, have been somewhat trampled in the march of progress.

Early in the 1970s, a census revealed the population had fallen from about 800 to less than 500. The school was in danger of closure because there were only 18 children in the villages, the average age of the inhabitants was rising alarmingly, and even the village shop was threatened.

Modern farming methods used by Loyd and his tenants had also contributed to the decline. In 10 years the labour force was reduced from 160 to only 60, says estate manager John Haigh, and farm buildings were falling into disuse. So in 1975 with an old cow house, a watermill, dairy and a barn as real estate, Loyd and Haigh began the social and economic refurbishment of the moribund community.

Investment has been modest—but the returns have been pleasing. The £70,000 spent over five years on doing up tha buildings to make them fit for light industries is now earning 30 per cent return in rent. The social benefits are also welcome. The cluster of "factories," which house saddlers, plastics makers, engineers, vintage car restorers, furniture makers and a potter, have brought 50 new people into the villages who in turn have provided work for more than 60 locals—and produced a round dozen offspring to keep tha schoolhouse in business.

Bank bonus

The circulation of the Bank of England Quarterly Bulletin took a sharp dive yesterday. Not that the financial world has lost its faith in the Old Lady's assessments of economic realities, simply that the Bank has started charging for tha publication.

In the past, when it was distributed free, circulation was 16,000 a quarter. Under the new regime, tha subscription list is only about 4,000, with limited numbers still going out gratis to selected luminaries and commentators. Considering that the news of the charge—£4 a copy in the UK—was announced only in March, the number of subscribers already signed up is viewed in Threadneedle Street as a vote of confidence.

ECONOMIC VIEWPOINT

Why real wages may be too high

THE Bank of England Bulletin is not normally my favourite economic reading. Partly, because I do not agree with what many of the writers in it are trying to say between the lines—for example there is yet another attempt to attribute recent inflation to "independent" pay rises and to downgrade the part played by domestic and international monetary forces.

Nevertheless, my purpose is not to attack the June Bulletin, but to praise it. For quite apart from the useful statistical background which so often redeems the text, the section marked "Assessment" dispenses with much of the usual sermon and contains some useful ideas.

It suggests, for instance, that earnings have risen by well over 5 per cent more than prices in the last two years, if the 1979 switch from income tax to VAT is taken into account correctly. This has been far too much in a period when output has hardly risen at all. The rise in labour costs has been even greater and profit margins have been squeezed tremendously.

Reversed

The Bank's suggestion is that it may be necessary for that gain to be reversed in the short term—in other words to have a real wage cut of 5 per cent. If this seems "extreme," remember that consumer spending rose by 5½ per cent in 1978 and another 4 per cent in 1979—rates exceeding the best even of the Macmillan "never had it so good" years when external circumstances and internal productivity were far more favourable.

An OECD survey shows that wage earners in the great majority of countries have made little attempt to recover the losses in real wages implied by higher oil and commodity prices.

The one thing that seems wrong with the Bank's suggestion is that it is made in the interests of getting inflation down. The main argument for a real wage cut is that it will help *employment*. Indeed the virtue of the suggestion is that it is not a *money* wage norm at all and refers only to the *relation* between wages and prices and not to what either of them will do in isolation.

In most Continental countries where governments and/or employers do talk to unions about wages, great care is taken not even to mention a money wage norm. German and French Ministers tend to say to union leaders that wages should not rise by more than prices—and exclude energy prices from the calculation. To some extent the message gets across—because it is a difficult one with which to argue.

But Continental Governments would not have attempted to make a drastic shift under Budget secrecy from direct to indirect taxes without discussing the factual and statistical basis thoroughly with union and employer representatives. In the U.K. debate it is worth making a distinction between political Thatcherites who supported both the 1979 and the 1980 Budgets and the economic Thatcherites who supported only the 1980 Budget with its accompanying financial strategy.

The Bank's suggestion links up with the *sotto voce* discussion about how—instead of crowing prematurely about the failure of the TUC's "Day of Action"—the Government should use the opportunity to reopen a dialogue with the TUC.

The dialogue could well begin with a discussion of the Bank of England view. This idea will be immediately misconstrued, as a previous and similar idea of mine was, as a resuscitation of incomes policy. It is nothing of the kind. It would *be a discussion* of the technical validity of the calculation that real wages are 5 per cent too high. The kind of question which could be asked is, for instance, whether Government North Sea oil revenues could allow the UK to escape some of the real wage cuts that other countries are having to take.

Government, Bank, TUC and CBI economists would try to thrash these matters out; and their political masters would also try to put it into a language that made sense to them. The more that money wages and inflation forecasts would be left out the more successful such talks might be.

As for money wages, the Bank suggests that they should rise in line with the monetary target. This has at least the advantage of not deceiving anyone into supposing that pay policy can be a substitute for monetary targets or an excuse for the authorities to relax the latter. But it is open to the objection to all pay norms in the UK context, that (a) they become a minimum on which the weakest union leaders set their sights and (b) that the Government starts trying to enforce them or bargaining with union leaders on the assumption that they can deliver this figure.

* * *

THE BULLETIN also contains the strongest hint yet that interest rates will fall as companies liquidate unwanted stocks and banks reconsider the prudence of present lending. That much is pretty well common ground, so long as MLR does not come down until there is no shadow of doubt that monetary growth is within the spirit as well as tha letter of the 7 to 11 per cent guideline.

Much more tantalising is the hint of, not only one or two points off MLR, but "larger possibilities of lower interest rates as inflation falls off." The gilt edged market has of course already moved.

Long term rates reflect principally expectations about inflation and unlike short term ones are market-determined—rather than policy-determined. They are becoming an even better guide to inflation expectations. For, since the abolition of exchange control investors are free to move overseas.

Several things are clear. The market never shared the hysteria of those who took the 21 to 22 per cent year on year increase in the Retail Prices Index at its face value, still less those who expected a further acceleration. Inflationary expectations have also fallen markedly — the recent rise in gilts is not just a mechanical reflection of U.S. developments to which the UK is much less tied than in the past. On the other hand the mean market expectation still is that inflation will remain in low double figures and the market has yet to be convinced of the full Government financial strategy.

Both the opponents of that strategy and those of its supporters whom I called the "economic Thatcherites" have pointed to the absurdity and exorbitance of official borrowing well into the 21st century at 13½ per cent nominal yields by a Government which really believes that the strategy will succeed. Those who have "moral" objections to indexed bonds should reflect on the morality of issuing unindexed bonds which will probably either saddle the taxpayer with usurious real debt servicing obligations or cheat the borrower with a higher than expected rate of inflation.

* * *

REAL short-term rates of interest are in fact likely to become negative in most countries in the course of the recession, as they have already done in the U.S. This is a very useful automatic anti-inflation corrective. It occurs if monetary guidelines are maintained when real demand falls off, and unlike conventional discretionary stimulation it does not create an inflationary threat for the future.

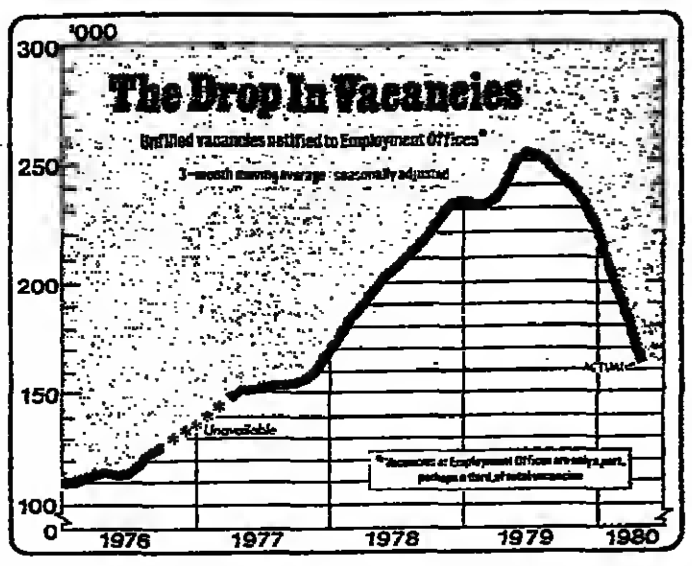
The possibility of temporary negative real interest rates supplies part of the answer to the fears of those Bank of England writers who worry that the combination of OPEC surpluses and governmental reluctance to run large deficits will aggravate tha world recession. A wide swing in interest rates from positive to negative discourages saving and encourages investment. This was something that did not seem possible when Keynes developed his theories which was during a period of stable or falling prices.

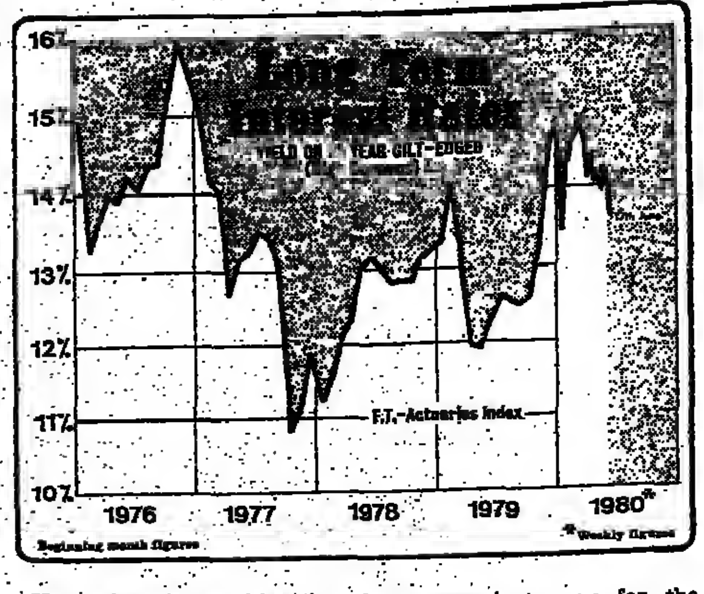
* * *

IT IS a great pity that queries about the *meaning* of the unemployment figures come to the fore during recessions, when increases are most likely to be genuine.

The May Employment Gazette has an extremely useful survey of the interpretation of the unemployment and vacancy figures. It discusses such paradoxes as labour shortages reported when unemployment is statistically high and the fact that most of the 1978-79 *increase in home demand* had to be met from imports.

But although a helpful guide to the figures, the Department of Employment article backs away from discussing the relation between employment and wages—both on tha supply side when wages appear too low to job-seekers, and on the demand side when they are too high for employers.





Yet if there is one thing that stands out a mile it is that employers and union leaders have connived in raising money wages and maintaining real wages in the face of market pressures at the expense of the jobless. Popular comment, normally quick enough to pick on bad economic news, has missed completely the extremely severe deterioration in the labour market. This is largely because seasonal trends have recently been favourable and the mass of school leavers arrives with a bang in the high summer months. Anyone following tha more informative figures of vacancies would have seen that by this May they had already fallen by 37 per cent compared with their peak last summer.

A favourable by-product is that, as in the 1966 and 1971-72 recessions, there is a shakeout of hoarded labour, and overmanning is being reduced. Unfortunately, however, the productivity gain is not yet large enough to pay for the wage increases; so the Bank of England's calculation of 5 per cent excess real wages is still realistic.

There is every sign that the Government will resist pressure to spend its way out of trouble this year. The real danger will be in the winter of 1981-82 and after, when it will look as if inflation is well under control but unemployment is not.

Talk of premature "reflation" or premature policy reversal is dangerous. For if the monetary and budgetary guidelines are correct then the authorities are already providing the best possible framework for employment stability: and the time to change course is "never." If they lose patience with long and unpredictable *lags, they will merely switch on* the inflation again with no ultimate gain to employment.

Samuel Brittan

Letters to the Editor

Musical cuts at the BBC

From the Managing Director, BBC Radio

Sir,—Lest there is the slightest danger of your readers confusing Mr. Morton's rhetorical questions (June 17) with fact, I think they might be interested to read what this dispute is about.

Ten years ago the BBC needed to disband some of its orchestras. The Government intervened, and John Stonehouse assured the House of Commons that the new licence fee would be sufficient to cover the cost. It wasn't—and subsequent licence fees have been on a rising scale of inadequacy, the latest one involving the BBC in cuts of £130m over the next two years, of which £40m has to come out of our existing operations.

Now we have to save money because the new licence fee is not enough to run all our activities, and the Government will not give us any more at present. A lot of the savings are being made in the BBC's central administration, which is *taking cuts* up to 15 per cent. But some have to come out of programmes, and they are across the board. Radio drama, talks and so on have been cut down by 10 per cent or more, and we cannot make an exception of music. We propose to save £500,000—but this is less than 8 per cent of the £6.5m we are now spending on musicians. It is an important sum for radio, but no more than the economies we have had to make elsewhere.

The special problem arises because such a large proportion of our music spending is tied up in the 551 players who have permanent jobs with the 11 house orchestras—in fact, this is about £4.5m, nearly 70 per cent of the total. The Musicians' Union has not yet accepted that it should take its share of the cuts, and has insisted that none of these staff jobs should be affected. Its only response in negotiations was to reject the BBC's proposals outright, and to make no valid counter-proposal.

If all the house orchestras were to be preserved, BBC radio's saving on music would have to be taken out of the 30 per cent spent on freelance musicians, and we would also have to cut the hours of music broadcasting. That is what the MU suggested—but we believe we should think of the listener first, and we want to go on offering a full service. We can do this by spending more of the money on players outside the house orchestras—over 30 per cent more, in the plans we put forward to the union.

We have not broken any agreement with the MU, and essentially we intend to broadcast the same quantity of "live" music, so that the balance between this and gramophone records will hardly alter. It is just not true to say that more of our output will consist of records and foreign tapes. But we do need to find a way of producing the "live" music at less cost and at the same time keep up programme quality and variety.

We are sorry that some full-time jobs for players will go. This is not the same as putting the 172 musicians out of work; 158 have actually had redundancy notices, and more than 30 are eligible for premature retirement. We have also earmarked £100,000 a year each for spending in Manchester and Birmingham which will provide work for freelance musicians, many of them likely to be former members of disbanded house orchestras. We are also actively encouraging efforts in Northern Ireland and Scotland to sponsor new orchestras, which if successful, will undoubtedly provide work for many former BBC house musicians.

We are aiming for quality and flexibility. Our objective has been to save money, maintain air time and maintain a full service for the listener. We shall sustain six house orchestras employing 379 players, which will represent about a quarter of all the salaried orchestral jobs in the United Kingdom. And at the same time we shall be spending more than before on engaging other musicians, since live musical performance will always be a large and vital part of broadcasting. In other words, we will continue to fulfil our duty as a major patron of music within the limits of what we can afford.

Aubrey Singer.
Broadcasting House, W1.

Racing on TV

From the Public Relations Director, Thames TV

Sir,—May I correct the misleading impression left by David Churchill's article (June 16) about the contract between ourselves and United Racecourses to provide TV coverage of horse racing at Epsom, Sandown and Kempton Park.

When your correspondent says that "Thames' motives for not registering the agreement were unclear . . . ." it is simply not true. It was rather that Thames has always contended that the agreement is not registerable and therefore not covered by the legislation. The whole business of what is and what is not a registerable agreement is a difficult point of law, and therefore it is premature to speak of the agreement being placed on the register.

Donald Cullimore.
306-316, Euston Road, NW1.

U.S. trade with Saudi Arabia

From Professor S. Eilon.

Sir,—Mr. Reddaway suggests (June 16) that I missed "a crucial point" made by Mr. Faulds, namely that the enormous increase in total dollar value of American trade with the Middle East was "very largely accounted for in increased arms sales." He quotes the figures of $709m and $8.4bn of arms sales in 1973 and 1978 respectively to Saudi Arabia alone, which in his view should be deducted from the total American exports of $1.85bn and $10.48bn respectively to the Near East as a whole for a truer picture to be obtained.

Mr. Reddaway's figures are quoted from articles in the International Herald Tribune. I prefer to rely on official statistics. I do not know the basis of the figures he quotes and whether, for example, they purport to represent sales figures for a single year or contracts secured for delivery over a number of years. The U.S. statistical abstracts (from which I quoted my figures) state that total American exports to Saudi Arabia in 1973 and 1978 were $442m and $4.37bn and these figures are substantially below those mentioned by Mr. Reddaway for the sales of arms alone. He is clearly not comparing like with like.

The point that I made in my earlier letter remains: there is no official statistical evidence to support the argument of Mr. Faulds that the anti-boycott legislation in the U.S. has significantly harmed its trade. The record of British exports to the Arab world suggests that British industry has not done any better.

(Professor) Samuel Eilon.
Imperial College of Science and Technology,
Exhibition Road, SW7.

Placing money with councils

From Mr. A. Twist

Sir,—I was very interested to read (June 17) Mr. Victor Robson's suggestion that brokers should penalise high spending local authorities by refusing to place money with them. When I first became professionally concerned with the affairs of local authorities in the late 1950s, I was taught to leave my politics at home and I believe this precept to be every bit as true today.

I believe also that lenders to local authorities should pay more heed to the existence of the safety-net provided by the *Public Works Loan Board* than to the political outpourings of councillors, particularly because the Local Government Act of 1972 and the 1975 Scottish Act provide that "a person lending money to a local authority . . . shall not be prejudiced by any illegality or irregularity, or by the misapplication or non-application of any of that money."

Mr. Robson is reported as saying "we can place our money" with those local authorities that behave "more responsibly" and if he is referring to his own firm's money he has a perfect right to place it according to any criteria he cares to set up, although a criterion of "responsibility" may in practice be very difficult to derive. I am sure that if some brokers cease to advise their clients to lend to a particular local authority then other lenders will step in to fill the vacuum; and to the extent that this is not the case, the higher rates of interest the local authority has to pay to the PWLB (whose non-quota B scheme will, at a price, provide all an authority's borrowing needs) will be no more than a political pinprick by comparison with the sledgehammer that can be wielded by the Department of the Environment.

A. F. Twist.
5th Floor,
Lee House,
London Wall, EC2.

Political leaders

From Dr. G. Hallett

Sir,—Mr. Malcolm Rutherford (June 13) raises the hope that under Mr. Healey's leadership the Labour Party might undergo a change similar to that which the German Social Democratic Party experienced with the Godesberg Manifesto of 1959. I doubt if the parallel is valid. The ambivalent Herr Wehner may have been influenced by electoral tactics but there was a genuine change of opinion among many Social Democrats.

The remarkable recovery of West Germany under a "socially responsible market economy" and the brutality of East German socialism increased the appeal of the revisionist thinking of Professor Karl Schiller, who put forward a coherent economic and social philosophy which combined some of the ideas of Ludwig Erhard with a "Keynesianism" *which*—in contrast to the British version—was similar to that of Lord Keynes. The change of opinion of most of the party from the "clause four," centralist philosophy of the late 1940s was genuine. It was characteristic that the main leader who emerged—Herr Brandt—was more an idealist of the Gaitskell type than a *Realpolitiker*.

The differences from the situation in the Labour Party are considerable. The Social Democrats did not face a choice of domination by the trade unions or the Left, and Mr. Healey's political style has nothing in common with that of Schiller or Brandt. Mr. Healey—as a counter to a rather crudely presented Conservative anti-inflation policy—has recently led a campaign suggesting that anyone who (like economists from Hume to Keynes) believes that inflation has something to do with monetary aggregates is an opponent of any kind of mixed economy. This campaign has been very successful, and no doubt politicians cannot afford too much academic fastidiousness.

This is, however, one more episode in a level of political economic debate which is notably lower in calibre than in West Germany—and which may have some connection with the level of economic performance of the two countries. Similarly Mr. Healey and the Labour "moderates" believe in a "prices and incomes" policy": the Social Democrats have always stressed its pernicious consequences.

Those who share Mr. Rutherford's hopes for the Labour Party and British politics are probably right to believe that Mr. Healey would be the best successor to Mr. Callaghan. But given the Labour Party's institution and history there seems little likelihood that, under Mr. Healey or anyone else, it could in the foreseeable future become anything like the German Social Democratic Party.

(Dr.) Graham Hallett,
University College,
P.O. Box 96, Cardiff.

Help for small companies

From the Chairman,
The Development Commission

Sir,—Your excellent review on finance for small companies (*June 4) fairly portrays the UK* situation but with one serious omission. It fails to mention the longest established government body in this field—the Council for Small Industries in Rural Areas—which is one of the *arms of the Development Commission*, England's rural development agency. Ably assisted by experienced and enthusiastic businessmen, who deeply believe in the importance of small businesses, they are currently helping some 12,000 firms in 38 counties in England. This is proving to be one of the most effective means of bringing entrepreneurial demand and private finance together, and I would *welcome this being more* widely known.

Nigel Vinson.
The Development Commission,
11, *Cowley Street, SW1.*

To-day's Events

GENERAL

UK: Dr. Henry Kissinger, former U.S. Secretary of State, speaks on international politics and oil at Energy Emergency: Oil and Money 1980 conference, Royal Lancaster Hotel, London.

Mr. David Howell, Energy Secretary, addresses British Nuclear Forum lunch, Inn in the Park, London.

Statement by Sir David McNee, Commissioner of Metropolitan Police, on his annual report for 1979.

PARLIAMENTARY BUSINESS

House of Commons: Debate on the Royal Navy. Motion on the Pool Competitions Act 1971 (Continuance) Order.

House of Lords: London Transport Bill, second reading. Transport Bill, third reading. Sea Fish Industry Bill, committee stage. Motions to Approve Education Act 1944 (Termination of Grants) Order 1980, and the Army, Air Force and Naval Discipline Acts (Continuation) Order 1980.

Select Committees, Environment. Subject: Council House sales. Witnesses: Greater London Council, Birmingham City Council (Room 15, 10.30 am). Home Affairs. Race Relations and Immigration Sub-committee. Subject: Racial Disadvantage. Witnesses: Department of Employment (Room 15, 4.30 pm).

OFFICIAL STATISTICS

UK banks' assets and liabilities and the money stock (mid-May). London dollar and sterling certificates of deposit (mid-May). Cyclical indicators for the UK economy (May). Construction—new orders (April).

COMPANY MEETINGS

Beralt Tin and Wolfram, Winchester House, E.C., 12. Boustead, Westbury Hotel, W., 12. Bulmer and Lumb, Victoria Hotel, Bradford, 3.30. Garner Scotblair, The Grange, Grange Road, S.E., 2.30. General Scottish Trust, 4, Melville Crescent, Edinburgh, 11. Grampian TV, Queens Cross, Aberdeen, 12.30. House of Fraser, 30, George Square, Glasgow, 12. Heal and Sons, 196 Tottenham Court Road, W.C., 3. L. and J. Hyman, Queens Hotel, Leeds, 12. Industrial and General Trust, Winchester House, E.C., 12.45. L.K. Industries, 123, Kennington Road, S.E., 12. John Laing, Marlowes, Hemel Hempstead, 2.15. 1928 Investment Trust, 1, Brewers Green, S.W., 3. Scottish Mortgage Trust, 3, Glenfinlas Street, Edinburgh, 10.30. Alexander Stephen, Linthouse, Govan, Glasgow, 12. Ben Williams, 219, Bow Road, E., 12. Yorklyde, Moorbrook Mills, Huddersfield, 11.30.

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Tesco burdened by interest on finance for expansion programme

FINANCE charges associated with the expansion programme at Tesco Stores (Holdings), multiple retailer, have resulted in a lower than anticipated profit for the year to February 23, 1980. At the pre-tax level the second six months showed a £4.38m diminution at £19.49m, and this left the full year figure some £1.1m adrift at £36.53m.

However, Mr. Leslie Porter, chairman, says he anticipates higher profits for the current year, and longer term prospects for the expanding group are very encouraging.

Commenting on finance, he says capital expenditure last year amounted to £110m. This covered the purchase of Cartiers, the concluding tranche of the investment in Tesco Stores Ireland and demands of the company's store development programme.

Deciding not to allow the scope of this programme to be limited by the company's cash flow capability, the directors turned to the banks for short term borrowing. In consequence a substantial interest burden, in the UK in the latter part of the year when rates stood at exceptionally high levels, affected current profitability.

At the year end, group short term borrowings (less cash in hand) totalled some £62m, compared with a liquid position of around £20m at February 1979. Interest paid during the 12 months amounted to £3.21m, against £1.57m received last time.

In view of the probability of continuing high interest rates, the board is currently reviewing its borrowing strategy.

Mr. Porter said later yesterday "We are researching various methods of reducing the burden of borrowings." He was not prepared to give details, but declared, "We are definitely not contemplating a rights issue."

Meanwhile, the group has decided to put its U.S. takeover ambitions on ice "for at least 12 months. We have recently undertaken feasibility studies at home and overseas, including a particularly detailed examination of the U.S. market.

"Valuable group work has been done, but we have decided firmly not to proceed with any such projects in the foreseeable future."

Mr. Porter said that the decision to defer the hoped-for U.S. move had not been influenced by the borrowing burden, but more by the big expansion plans the group was now pressing ahead within the UK and the executive time these involved.

Including £26.5m from Tesco Stores Ireland and £26.3m from Cartiers, during last year, group turnover rose by £366m to £1.6bn, reflecting a substantial volume gain. Tax for the period took £1.37m (£1.1m) and, with earnings per 5p share at 10.58p (11.51p), the net final dividend is 1.45p for a 2.45p (1.9827p) total.

	1979-80 £000	1978-79 £000
Turnover incl. VAT	1,801,529	1,235,902
VAT	70,921	34,057
Trading profit	54,348	46,402
Interest payable	3,207	*1,571
Depreciation	14,641	10,332
Minority loss	31	21
Profit before tax	36,531	37,862
Tax	1,370	1,102
Net profit	35,161	36,560
Surplus on prop. sale	367	346
Extraord. items	72	229
Dividends	8,164	5,471
Retained	27,436	30,664

* Received

Mr. Porter says the reduction in pre-tax profit (which included a post interest loss of £1.3m by Tesco Stores Ireland) is regarded as not unsatisfactory in the circumstances and an unavoidable initial step in the five-year plan to expand dramatically the group's total selling area.

The base from which the group is growing is substantially larger than that from which it made its expansions of the "seventies." Compared with then, the lead time before new capacity makes a full contribution to profits is correspondingly more pronounced. The interruption to profit growth this year will, he believes, be short lived.

Looking at the acquisition element of group strategy, he says the purchase of three Guys (now Tesco Stores Ireland) and Cartiers has broadened the group's base. However, the effect of interest charges associated with their acquisition has inevitably depressed their performance in the first year and has been an important factor in the temporary fall in group profits.

Apart from acquiring external businesses, progress has been made with plans for internal profit growth. The policy behind the development programme for the existing store network is, in essence, to base operations around a smaller number of larger units. Superstores have, in the board's experience, proved to have the best profitability potential. The group will have at least 100 of these stores by 1984.

Accordingly, between 1977 and 1979, the group closed 171 smaller stores as part of the rationalisation programme. A further 55 units were closed in 1979-80. At the same time, including Cartiers, 523,500 square feet of new selling area has been added by extensions and by establishing new large scale units.

These moves are part of the plan to expand the net selling area from the current 6.2m square feet to 8m square feet of generally larger units by the end of 1983-84.

The company has improved its position as market leader in the supermarket field. It now has a 14.6 per cent share of the dry grocery market, compared with 13.4 per cent in April 1979.

Only in Home 'n' Wear has the performance been disappointing. Here turnover and margins suffered as a result of increased VAT in a market already affected by the pressures on disposable incomes and where competition is intense. Nevertheless, Mr. Porter says this division has a bright future in the longer term.

Based on an internal valuation by the group's chartered surveyors, the value of the property portfolio as at February 23, 1980 was £360m, giving an excess of £175m over book value, which has not been included in the accounts. For the purpose of the valuation, property in the course of construction and land purchased for development has been included at cost.

Lex, back Page

HIGHLIGHTS

Lex looks at the slight profits setback at Tesco which it contrasts with the recent buoyant results from Sainsbury. The column also looks at Tesco's grounds for optimism and discusses the heavy debt burden implicit in the endless quest for physical expansion. Lex examines the marked upturn in Westland's first-half profits, reflects on the helicopter manufacturer's recent problems and ponders its chances of bringing on a new generation of non-military machines. Johnson Matthey has beaten all stock market predictions with a sparkling fourth quarter and Lex analyses the possibility of continued growth against a background of subdued precious metal prices. Elsewhere, the curtain on the long-awaited House of Fraser annual meeting is raised, a consortium has agreed with the joint receivers to buy parts of the Dunbee-Combex-Marx toy business, there were fireworks at the Camrex annual meeting and, finally, T. Cowie has won control of George Ewer.

Upsurge at Johnson Matthey—12p final

A JUMP in the final quarter from £7.13m to £18.42 helped push pre-tax profits of Johnson, Matthey and Company, precious metals refiner, well ahead to £38.61m in the year to March 31, 1980, compared with £21.58m.

The dividend is effectively raised from 8.5p to 15p net with a final of 12p and the directors are planning a one-for-one scrip issue.

Group sales, excluding Johnson Matthey Bankers, rose from £561.11m to £865.56m and the profit is struck after interest of £9.34m (£4.59m) and depreciation of £6.41m (£4.2m).

Tax takes £13.14m (£10.02m) and after exchange losses of £2.44m (£2.19m) and minorities, the attributable surplus is up from £9.31m to £23.05m.

An exceptional credit this time of £23.11m, comprising deferred tax no longer required of £30.2m less ACT of £7.1m, is transferred to reserves.

Dividends absorb £7.96m (£4.26m), leaving retained profits of £15.08m against £5.05m. Stated earnings per £1 share are up from 26.1p to 48p.

A revaluation of base stocks of precious metals at the year-end shows a surplus, after tax, of £49.94m.

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Sound Diffusion declines

TAXABLE profits of Sound Diffusion, electronic engineer, fell from £790,000 to £379,000 in 1979 after interest charges and depreciation amounting to £526,000 against £415,000.

The surplus includes £23,000 from the sale of repurchased rental installations, compared with £547,000 in 1978.

Tax takes £75,000 (£45,000) leaving a net surplus of £304,000 (£745,000), and as forecast, the annual dividend is effectively raised from 0.8p to 1.05p net.

No surcharge on products and services provided by Sound Diffusion (Manufacturing) and Sound Diffusion (Service) was made during the year.

Anglia TV ahead to £2.97m in first half

INCREASED advertising revenue helped Anglia Television Group to a 75 per cent rise in operating profits, from £3.4m to £5.96m, in the six months to April 30. Turnover increased by over 50 per cent from £11.02m to £16.59m.

Sharply higher Exchequer levy at £3.14m (£1.33m) held the advance at pre-tax level to 47 per cent, from £2.02m to £2.97m, which included share of associates' profits of £149,000 (£46,000 loss).

The Board says the first-half results have been influenced by a substantial increase in advertising revenue, aided by the steady development of programme sales, but warns that the second half does not normally match the first, and the difference is likely to be more marked this year.

The interim dividend is lifted from 1.572p to 2p. Last year's total was 3.572p, paid from pre-tax profits of £2.72m. Stated earnings per 25p share are 10.95p (7.11p) for the six months, after tax of £1.55m (£1.12m) and losses attributable to minorities of £24,000 (£38,000).

● comment

Starting its financial year just after the ITV strike, Anglia Television was able to take advantage of buoyant demand for advertising. The group's 47 per cent pre-tax profit rise can be traced to a 42 per cent increase in network advertising revenue and to a continuing solid performance in programme sales. This year programme sales should bring in about £2m in income, half of which will come from the sale of the "Tales of the Unexpected" series to the Americans. The market seemed pleased with a 27 per cent interim dividend boost yesterday and put the share 6p up to 82p. At this price a full year yield of 8.1 per cent seems possible if the final repeats the interim rise. Anglia should achieve at least £4m pre-tax this year, which suggests a fully taxed p/e of 5.6. The shares look quite reasonably priced.

BIFURCATED ENGINEERING

Bifurcated Engineering has completed the purchase of JEB Fasteners, a private company whose business is in the distribution of fasteners.

The revised total consideration is £372,042 of which £165,023 has been paid in cash together with the allotment of 188,837 ordinary in Bifurcated and the balance of the consideration (£122,042) payable in cash or partly in shares and cash.

Strong performance by Westland in first half

FOR the half-year ended March 31, 1980, turnover of Westland Aircraft rose from £87.19m to £105.44m and pre-tax profits were higher at £10.57m compared with £4.21m in the same period last year.

The profit increase reflects improved efficiency, the directors say, but also owes much to inflation. The turnover has increased in money terms but there has been no real growth—however, the second half has begun satisfactorily.

First half earnings per share are stated as 12.1p against 4.7p. The interim dividend is stepped up from 1p to 2p and on the basis of present information, the board is likely to recommend a final of not less than last year's 3p.

The first half profit includes interest of £924,000 (£354,000 debit) and is before tax of £2.66m (£915,000) and minorities, £741,000 (£483,000). In the previous half year, profit was after an exceptional debit of £1m. The directors say the historic attributable profit of £7.2m would be reduced to £2.5m after CCA adjustments.

In the year ended September 30, 1979, the group recovered from pre-tax losses of £2.86m to a £16.02m profit.

An analysis of turnover and trading profit — £9.61m (£5.56m) —shows helicopters contributed £75.12m (£67.59m) and £6.35m (£3.32m) respectively, hovercraft, £5.03m (£1.09m) and £1.06m (£282,000 loss), control equipment and systems, £15.03m (£10.54m) and £2.51m (£1.71m), other products, £10.25m (£7.97m) and £279,000 loss (£840,000 profit). Holding company and consolidation adjustment totalled £25,000 (£23,000).

Since the chairman's annual statement, contracts for 32 Navy Lynx, 14 Army Lynx, two Sea Kings and 33 Gazelle helicopters have been received, or are being finalised. In the first half, orders have exceeded turnover.

Deliveries of Lynx, Sea King and Gazelle helicopters have been satisfactory and the first of a new variant of the Puma helicopter was delivered to the RAF on time in May, the directors say.

All Lynx included in the initial MoD contract have been delivered, and the group expects to complete before the end of the calendar year its review of the 1977 and 1978 provisions. No release has been made from these provisions in this half year, but the review is expected to show a surplus.

Despite efforts, progress has not yet been made in negotiations with Westland's former partners in the Arab British Helicopter Company. The Board is continuing to seek an amicable settlement but has been advised to take the necessary steps to protect its rights.

The Super 4 hovercraft are performing better than their original specification and some small increase in price was obtained from British Rail Hovercraft by negotiation. The company is not able in law to make any further claims, the directors say. Westland will shortly complete its review of the contract and its provisions and while no release has been made from those provisions the company expects its review to show a surplus of the order mentioned in the annual statement.

Work continues on the 14 SRN. 6s for overseas customers.

Lex, back Page

Freddie Mansfield

Lord Aldington, Westland chairman

Joint helicopter venture

WESTLAND Helicopters and Costruziono Aeronautiche Giovanni Agusta S.p.A. have formed a joint company to manage the development, manufacture and marketing of a new medium-weight helicopter, the EH 101.

The company, E.H. Industries, is to be based in London. It has a nominal initial capital, owned equally by Westland and Agusta.

The helicopter will meet the requirements of the Royal Navy and the Italian navy for replacements of the Sea King and ASH-3D machines.

Lord Aldington, chairman of Westland Aircraft, said yesterday that the intention was to develop a helicopter that would sell in large numbers. He indicated that sales could approach 1,000 units.

The EH 101 will be developed for defence purposes, and the project is expected to be fully funded by the UK and Italian governments. Lord Aldington said, however, that the intention was to develop a machine acceptable for civil as well as defence purposes.

The helicopter would have an all-up weight of 25,000 lb, compared with the Sea King's 20,000 lb. Deliveries would not start until the latter part of the 1980s, and the project would have no impact on Westland's profits for eight to 10 years.

Duple expects similar result

AN INCREASE in taxable profits from £1.46m to £1.8m for the half-year to February 29, 1980, is reported by Duple International, the coachbuilding, plastics and engineering concern. But the directors warn that second-half profits will be affected by rising costs of materials and the full-year outcome should be similar to the £3.7m achieved last time.

The coachbuilding division continues to be the group's mainstay, the directors add. A new service centre has opened in Scotland and there is a £1.7m improvement programme at the Blackpool works.

The net interim dividend is raised from 0.337p to 0.7p—last year's total was 1.4472p. A one-for-four scrip issue is proposed, followed by consolidation of the 5p shares into 25p shares. The interim payment would be 2.8p on this basis.

Stated earnings per share are up from 1.7p to 2.1p, or 8.4p after the scrip and consolidation.

Tax took £937,000 (£757,000). Turnover improved from £10.28m to £12m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alliance Invst.	3.1	July 17	2.7	5¶	3.75
Anglia Television ...int.	2	Aug. 4	1.57	—	3.57
Ariel Industries	1.62	Sept. 9	1.42	2.7	2.38
Baker's H'hld Strs int.	0.65	Aug. 8	0.5	—	1.13*
Bell & Sime	5	—	4.45	6.75	5.38
Brownlee	4	Aug. 23	3.4	5	4
Downs Surgical	0.8	Oct. 6	1.63	1.6	3.23‡
Duple Intl. ...int.	0.7	—	0.34	—	1.45
Maurice James Inds.	nil	—	nil	0.75	0.5
Johnson, Matthey	12	July 30	5.9	15	8.5*
Ernest Jones (Jwls) int.	1.4	Aug. 20	1.25*	—	3.75
Kampong Lanjut	80§	July 30	9	80	21.5
Kuala Kampar	10§	July 30	30	40	60
R.K.T. ...int.	3	July 31	1.5	—	10
Scot. American Inv. int.	1.25	July 31	1	—	3.5
Sound Diffusion	1.05	Oct. 2	0.8*	1.05	0.8*
Tesco	1.45	July 31	1.19	2.45	1.98
J. W. Wassall	0.48	July 30	0.48	0.68	0.68
Westland Aircraft...int.	2	July 31	1	—	4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 15 months. § Gross Malaysian sen throughout. ¶ Includes special non-recurring payment of 0.3p.

SPAIN

June 18	Price %	+ or −
Banco Bilbao	219	−2
Banco Central	248	−3
Banco Exterior	213	−2
Banco Hispano	218	
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	282	
Banco Urquijo	152	−3
Banco Vizcaya	225	−3
Banco Zaragoza	200	
Dragados	77	−5
Espanola Zinc	60	
Fecsa	64.5	+0.8
Gal. Preciados	29	
Hidrola	68.7	
Iberduero	66.5	−0.2
Petroleos	108.5	+0.3
Petroliber	64	
Sogefisa	107	
Telefonica	58	
Union Elect.	64	−1

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	1979-80 Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
89	59	Airsprung	65	—	6.7	10.3	3.8†
50	26	Armitage and Rhodes	30	—	3.8	12.7	2.0†
285	185	Bardon Hill	278	—	13.8	5.0	8.2†
100	78	County Cars 10.7% Pf.	78	—	15.3	19.8	—
101	63	Deborah Ord.	92	—	5.0	5.4	10.1
125	88	Frank Horsell	117	—	7.9	6.7	7.3
129	90	Frederick Parker	90	—	12.8	14.2	4.1†
156	102	George Blair	102	—	18.5	18.2	—†
77	45	Jackson Group	77	+1	6.0	7.8	2.9†
153	103	James Burrough	107xd	+3	7.8	7.4	8.8
300	242	Robert Jenkins	300	—	31.3	10.4	9.6†
232	175	Torday	220	—	15.1	6.9	3.7†
34	11½	Twinlock Ord.	15¼	—	—	—	—†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	49	−1	2.6	5.3	10.4
50	45	Unilock Holdings New	48	—	—	—	9.8
99	42	Walter Alexander	94	—	4.4	4.6	6.2
214	136	W. S. Yeates	214	—	12.1	5.7	3.5†

† Accounts prepared under provisions of SSAP 15.

BIDS AND DEALS

Charterhouse selling Glanvill for £11.7m

Charterhouse Group, the investment and banking company with wide-spread industrial interests, has agreed in principle to sell Glanvill Enthoven, its insurance broking subsidiary, to Jardine Matheson, the Hong Kong-based trading group, for £11.7m.

Charterhouse, which last month agreed the purchase of Keyser Ullmann for £43m, said the insurance broking activities of the two groups are complementary and the merger will produce a more broadly-based business with considerable potential for growth in the UK and overseas.

Mr. Geoffrey Rowett, chief executive of Charterhouse, said yesterday: "We grow companies." Jardine wanted to develop its international insurance broking interests and the merger would place Glanvill in a stronger position to develop more fully.

Charterhouse has specialist insurance broking interests and would expand these further when the opportunity arose, he said.

Glanvill reported profits, before interest and tax, down from £1.87m to £1.48m in 1979. This resulted from adverse economic and insurance market trends, together with continued expenditure to increase long-term efficiency and growth.

Brokerage income increased, but the continued strength of sterling and the weakining of the U.S. dollar combined with excess insurance market capacity throughout the world restricted growth.

Glanvill had a turnover of £11.64m (£10.55m) in 1979. Net tangible assets at December 31 stood at £3.47m.

EMAP BUYS NEWSAGENTS

East Midland Allied Press has purchased four retail newsagents shops in Peterborough and Ely from the family of Mr. D. T. B. Stops.

The consideration £162,500 is satisfied by a payment of £87,500 and the issue of 96,154 "A" (limited voting) ordinary shares.

Advance has 97.8% of Richmond Park

The offer on behalf of Advance Laundries to acquire the Richmond Park Laundries has been accepted by the holders of 76,310 of Richmond and by the British Electric Traction Co., in respect of its holding of 1.59m ordinary. Taken together, these acceptances represent 97.8 per cent.

The offer has become unconditional save for the passing of the resolution set out in the notice of meeting of Advance stockholders convened for June 25 and remains open for acceptance until further notice.

Cowie wins control of Ewer as acceptances reach 12%

T. Cowie, the Sunderland-based motor dealer, yesterday won its hard-fought takeover battle for George Ewer and Co., the motor distributor and Grey Green coach operator.

With acceptances of 12.1 per cent Cowie, which had been highly critical of Ewer's purchase of Eastern Tractors, announced that it had 50.31 per cent of the Ewer capital as enlarged by the new shares issued under the Tractors deal. Listing for these new shares was granted yesterday.

Cowie's basic offer, equal to 52½p per share, attracted acceptances from holders of 2,457,821 shares. Had the Tractors deal fallen through, Cowie would have offered holders 55p per share.

The offer is now unconditional and has been extended until July 4. Ewer holders wanting the all-cash offer must accept within the next seven days.

Mr. Tom Cowie, the chairman of Cowie said his first task would be to establish a rapport with the Ewer board. He said he looked forward to a harmonious relationship with the company to see how the whole operations could be best put together.

Mr. Cowie said he would take a close look at Tractors to see what was the best it had to offer. He said he was used to turning round difficult situations.

Mr. Anthony Vincent, deputy chairman of Ewer, said he was a "little disappointed" that Cowie had obtained control despite the advice of the board that the offer was inadequate. But he maintained that a large shareholders had not accepted the offer.

Ewer would be consulting with its advisers and writing to shareholders shortly.

On Tuesday, Laurence Prust, on behalf of associates of Ewer, bought a further 110,000 shares in Ewer at 56½p. In the market yesterday, Ewer closed 5½p lower at 51p while Cowie was unchanged at 38p.

SHARE STAKES

A. G. Stanley Holdings — Berger, Jenson and Nicholson, has purchased a further 25,000 ordinary shares bringing total holding to 3,056,287 (12.1 per cent). Mr. Malcolm J. Stanley, chairman, has sold 125,000 ordinary shares and his total holding is now 2,084,779 (8.25 per cent).

Beechwood Construction (Holdings)—Mr. J. C. R. Downing, chairman, acquired 8,750 ordinary shares.

Low and Bonar Group—Mr. B. H. Lewis, director, has acquired a non-beneficial interest in 66,666 ordinary shares.

Aquascutum — Sir Charles Abrahams, director, acquired 5,000 ordinary shares.

City and Commercial Investment Trust—The Edinburgh Investment now holds 375,000 capital shares (10.7 per cent).

Ambrose Investment Trust—Mr. S. W. Peowill, director, disposed of 5,000 income shares.

Charterhouse Group / Keyser Ullmann Holdings — Company subsidiaries Charterhouse Japhet disposed of 10,000 ordinary shares of Keyser Ullmann on June 17, at 80½p, and now holds no Keyser Ullmann shares.

Federated Land—Mr. J. H. P. Meyer, director, disposed of 200,000 shares.

Mercantile House Holdings—Edinburgh Investment Trust has acquired a further 30,000 ordinary shares thereby increasing its holding to 355,000 shares (6.04 per cent).

F. Miller (Textiles)—The Morgan Grenfell Special Exempt Fund is interested in 675,000 ordinary shares (25 per cent).

ASSOCIATE DEAL

Grieveson, Grant and Company, as associates of the Charterhouse Group, purchased 25,000 Keyser Ullmann Ordinary at 81½p and 25,000 at 80½p, on June 17.

Pergamon pays £1m for Infoline information group

Pergamon Press, the publisher of scientific books and journals, has paid £1m for Infoline, a computer-based information service which mainly operates in the UK and Europe, but aims to expand into the U.S.

In the past three years, Infoline has made losses of around £1½m. Pergamon hopes to return it to profit in a couple of years, Mr. Robert Maxwell, the group's chairman, said yesterday.

Pergamon intends to invest another £2m into Infoline, which provides a scientific, technological and patents bibliographical information service.

REED INTNL. DEAL SANCTIONED

The scheme of arrangement for the acquisition by Reed International of London and Provincial Poster Goup has been sanctioned by the High Court and has accordingly become effective and binding on L and P shareholders.

Setback for Downs Surgical

CONTINUING CUTS in National Heath Service spending and the strength of sterling reduced pre-tax profits of Downs Surgical to £0.85m in the year to March 31, 1980, compared with £1.78m for the previous 15 months.

The final dividend is reduced from 1.625p to 0.8p for a total of 1.6p against 3.225p.

The increase in sales forecast after the first six months, when profits were down from £614,000 to £503,000, failed to materialise, say the directors, and the opening months of the current year still show no signs of an upturn in trade.

Sales of the group, which manufactures and supplies surgical instruments and hospital equipment, fell from £18.14m to £14.36m.

The profit is struck after interest of £321,000 (£228,000) but before tax of £100,000 (£348,000). Earnings per 10p share are shown as 5p (9.59p).

Former chairman criticises board at stormy Camrex annual meeting

BY ALAN FRIEDMAN

A CALL for the resignation of the chairman, an unsuccessful demand that the report and accounts be rejected and a call for a public enquiry into the affairs of the company were features of yesterday's stormy annual meeting of Camrex, the specialised paint and coatings manufacturer.

Mr. Alex Cameron, who resigned as chairman after a 1978 boardroom row, led a group of five shareholders who voted unsuccessfully against the re-election of Mr. Roger Wake, the chairman, as a director. He said that Mr. Wake had lost credibility and should resign.

Mr. Cameron said he was concerned about the financial state of Camrex. "I don't think the shareholders realise how serious the condition of the company is. There is a major cover-up by the board," he said. Mr. Wake dismissed these comments.

The former chairman urged that the company accounts should not be adopted because they did not contain a provision for a £250,000 claim in the United States in the profit and loss account. Mr. Wake replied that it was not appropriate to "verbally rewrite the accounts." Provision in respect of the U.S. claim is dealt with in a note to the report and accounts.

Mr. Cameron was also the leader of a small group of shareholders who voted against the payment of a dividend for 1979, claiming that it was uncovered and not affordable. The dividend resolution, however, passed.

Mr. Wake was questioned by an institutional shareholder as well as his predecessor on the resignation of Mr. John Witter, group managing director, and Mr. Peter Dillon, finance director, in March. He explained that the departure had come about as a result of "disagreement on policy and a clash of personalities."

But Mr. Cameron claimed that "66 per cent of the main board and 80 per cent of the subsidiary board" had resigned within the last year. The chairman later agreed that these figures were roughly accurate and revealed that Mr. George Fisher, the finance director of subsidiary Camrex Limited, had resigned in late May.

Mr. Wake told shareholders that the group finance director would be replaced "in a matter of weeks." But he said that the group managing director would not be replaced because the contracting side of Camrex which was in loss in the second half of last year, is being run down.

"I expect that we will complete our current contracts but we will not take on any major new ones. By reducing the group's involvement in contracting we expect to release substantial funds into our paint side," he said.

The contracting business was to be closed down in about two years, added Mr. Wake, which would release funds of about £4m. Meanwhile the tanker vessel coatings division would be improving in 1981-82 as ship construction continued.

Current trading is difficult and the group had a number of problems, said Mr. Wake. The interim results would be "disappointing" and it was expected that there would be a loss at the half-way stage.

Finally Mr. Wake said that Camrex "may well come together later on" with Dufay Bitumastic, the paints company in which it holds a 29.75 per cent stake. He said that the difficulties faced by the two companies were very similar.

Brownlee improves to £1.56m

PRE-TAX profits of Brownlee and Co., Glasgow-based timber group, are up from £962,000 to £1.56m in the year ended March 29, 1980 and the directors are lifting the dividend from 4p to 5p per share with a 4p final. A one-for-two scrip issue is also proposed.

First-half profits had risen from £405,000 to £838,000 but the board said these improved results should not be the basis on which to estimate full year results. They expected however, that pre-tax profits would compare favourably with the previous year.

	Year 1979-80 £000	1978-79 £000
Sales	24,706	21,314
Trading profit	1,642	935
Interest	218	76
Associates profit	137	103
Profit before tax	1,561	962
Tax	348	246
Net profit	1,213	716
Dividends	358	287
Retained	855	429

The mild winter last year was helpful while the steel strike had little effect on trading, the directors now report. World prices of timber and timber-based products rose steadily and there were opportunities to earn stock profits, although these were limited by the strength of the pound.

The home improvement market continued to expand and the group has widened its product range. The manufacture of veneered panels has shown some improvement but competition has become increasingly keen and the overall position is not yet satisfactory, the board adds.

Stated earnings per share at the year-end were 17.1p against 10.1p.

The major part of associates' contribution came from Alliance Smurfit Cases (Scotland), whose performance in the second half of the year was seriously affected by industrial disputes, both internal and external.

Burnbank Joinery Centre had a disappointing second half but made a small profit in the year.

On the current year, the directors say it will continue to be the policy to expand its market-place and to take advantage of every opportunity to serve both the public and private sectors in the prevailing trend towards housing improvement.

● comment

The Government's willingness to use its housing programme as an economic regulator must add an element of uncertainty to future trading at Brownlee. It operates in Scotland, where the public sector's share of new housebuilding is one of the highest in Europe. The company diversification into renovation and DIY-oriented products should however provide a counter-cyclical element. The figures are helped along by the substantial stock profits arising during the three to four months which timber spends in the stockyard while world prices have been rising. The corollary is that CCA paints a much gloomier picture. Last year it slashed profits to a third leaving the dividend uncovered, and there is no reason to expect things to be much different this time. The balance sheet is strong: the interest charge suggests last year's £320,000 overdraft is well up, but still leaving gearing in single figures. With two substantial shareholders and operating in a sector prone to speculative interest, Brownlee probably likes to be seen to be running a tight ship although the p/e on stated earnings is a cautious 5.3, with an 8 per cent historic yield at 93p, up 6p.

Newman's overdrafts rise

THE 1979 accounts of Newman Industries, the engineering, electric motors and ceramics group, show that bank overdrafts, net of cash, increased sharply from £6.5m to £13.91m at the year-end.

Pre-tax profits last year slumped from £6.22m to £0.38m, after a loss of £1.92m in the second half which proved one of the most difficult periods in the group's history. The final dividend is omitted leaving the 1.5p interim to compare with the previous total of an equivalent 4.8p.

Management accounts for the first quarter of 1980 show a return to profit and to steadily improving monthly performance. If this is maintained, the directors are to consider paying an interim this year.

As known, Mr. Alan Bartlett, the former chairman of Newman, is to take action for wrongful dismissal. This follows the High Court action brought by Prudential Assurance, which alleged that Mr. Bartlett had made a financial gain by selling Thomas Poole and Gladstone, of which he was chairman, to Newman.

The High Court ruled that Mr. Bartlett had used "trickery and deception" to push through the purchase.

The internal costs relation to the action by Prudential have not been shown separately in the accounts. However, the directors say the true cost is not the direct cost attributable to those activities but the loss of such time and effort attending to the group's affairs.

Maurice James at £0.6m

PRE-TAX profits of Maurice James Industries expanded from £409,000 to £614,000 for 1979, as expected, after interest charges £153,000 lower at £113,000.

Midterm profits were well ahead at £300,000, against £122,000.

Turnover for the year amounted to £9.45m (£11.04m) including £2.41m in respect of Casper Jack. This company was sold last October and its results are included in the group's 1979 figures, its contribution to profits totalled £43,000.

Earnings per 20p share of this industrial investment company are shown to have risen from 1.6p to 3.6p, after-tax of £133,000 (£200,000). There is again no final dividend, which leaves the interim of 0.75p (0.5p) as the year's payment.

REPORTS TO MEETINGS

Nurdin and Peacock sales rise

SALES FOR the first 22 weeks of the current year at Nurdin and Peacock, cash and carry wholesaler, were more than 20 per cent higher than in the same period of 1979, and Mr. W. M. Peacock, the chairman, told the annual meeting that he was optimistic for the company's future.

The new 80,000 square feet cash and carry warehouse at Luton opened with a record week's sales and record figures had been maintained for subsequent weeks.

At other annual meetings, the chairman reported the following:—

British-Borneo Petroleum Syndicate—The company had made a good start in the current year, with the unrealised appreciation of its Stock Exchange investments having shown a further increase since March 31 of £2.47m.

The board expected a higher income from the company's investments and a continuance of profits on realisations which should give a good result for this year.

Glynwed—Results for the first quarter of 1980 of this engineering and building products group were extremely encouraging despite the steel strike. However, in the second quarter there had been a downturn in many group activities due partly to the Government's efforts to reduce the level of inflation.

Shiloh Spinners — While the short-term prospects were not good, there was still confidence in the company's long-term future, provided it could respond to changing trading conditions when they occured.

Brixton Estate—The company was one of the few major property investment companies which continued to have an active and successful development programme, both in the UK and overseas—the current £25m programme was making good progress.

Francis Shaw and Company—Last year's losses had made it necessary that the company's streamlining and rationalisation plans became much more drastic. To survive it was necessary to minimise the utilisation of the group's financial resources and to keep borrowings under control.

RESULTS AND ACCOUNTS IN BRIEF

HEAVITREE BREWERY — Interim dividend 6.6 per cent (same), pay July 4. Turnover half year to April 30, 1980, £1,419,051 (£1,282,673). Pre-tax profit £224,654 (£207,655). Tax £116,850 (£107,990).

FINE ART DEVELOPMENTS—Results for year to March 31, 1980, already reported. Stocks £17.27m (£14.01m). Debtors £6.04m (£8.54m). Bankers £4.2m (£2.43m). Reserves £15.48m (£11.9m). Proposal at AGM to raise authorised share capital from 52m to 60m ordinary. Meeting, Burton upon Trent, Staffs, July 3, at 4 pm.

ASH AND LACY (metal stockholder and perforator)—Results for 1979 with prospects, already known. Shareholders' funds £10.32m (£8.38m), loan capital £0.93m (£1.16m). Group borrowings and indebtedness £2.6m (£1.74m). Current cost pre-tax profit £1.77m, compared with historical £2.59m. Meeting, Telford, May 13, 11.45 am.

FIDELITY RADIO (audio equipment)—Results for year ended March 31, 1980, already reported. Shareholders' funds £5.64m (£5.47m), secured loans £134,000 (£144,000). Chairman anticipates better results at the end of the current year. Meeting, Cunard International Hotel, W., July 10, 11 am.

DERITEND STAMPING COMPANY—Results for year to February 29, 1980, with scrip issue, reported May 15. Reserves £11.27m (£8.88m). Stocks £7.98m (£6.58m). Bank loans and overdrafts £2.05m (£1.98m). Chairman says investment in buildings, plant and equipment totalled £1.45m. This year's programme is very similar but dependent on trading conditions. Meeting, Droitwich, Worcs, July 9, at 12.30 pm.

FOSTER BROTHERS CLOTHING COMPANY—Results for year to February 29, 1980, reported on May 16 in full preliminary report. Ordinary shareholders' interests £27.66m (£23.15m); bank overdrafts £2.08m (£1.19m). During the year an ex-gratia payment of £22,500 was made to a retiring director. Chairman says there is potential for expansion, particularly in the south-east, but this will not be expansion for its own sake, but profitable growth as the right opportunities arise. Meeting, St. John's Hotel, Solihull, July 9, noon.

DWEK GROUP (PVC vinyl, houseware products and purse frame manufacturer)—Results for 1979 already known. Shareholders' funds £2.21m (£1.96m). Loans £454,570 (£14,325). Cash £83,691 (£258,503). Overdrafts £1.25m (£642,098). Company says recession and stompts throughout industry to reduce stocks has affected turnover so far in 1980, but strenuous efforts are being made to benefit from any improvement in the business climate. Meeting, 999, High Road, London, N12, July 4, 12.30 pm.

Baker's Stores up 20%

Pre-tax profits of Bakers' Household Stores, the Leeds-based self-service group, rose 20 per cent in the first half to March 29, from £329,424 to £397,152. Turnover was up 23 per cent from £2m to £2.47m. Again there was no deduction for tax.

The interim dividend is effectively raised to 0.65p. Last year's total was an adjusted 1.13p. Earnings per 10p share are given as 9.93p (10.98p). For comparison purposes this excludes corporation tax: had corporation tax been provided at 52 per cent. earnings would have been 4.77p.

The board says the improvement in turnover in the first two months was negated by ever-increasing costs, but signs indicate that there should be some gain in second-half profits. The company's cash resources continue to grow, and stand at over £1m.

Tranwood Grp. shows modest improvement

Pre-tax profits of Tranwood Group, manufacturer, distributor and retailer of hosiery and associated products, improved by £10,649 to £115,242 in the year to January 31, 1980. At half way pre-tax profits were £6,000 higher at £27,000. Turnover was up from £6.28m to £6.36m.

No dividend is again being paid—the last payment was an interim dividend of 0.325p net per share in 1976.

After tax lower at £57,000 against £60,000, and minorities of £22,192 (£15,980), stated earnings per 5p share are £0.37p (£0.3p) basic, and 0.37p (0.3p) fully diluted.

Second-half downturn at Bell and Sime

A downturn in second-half pre-tax profits of Bell and Sime from £79,433 to £40,100 left the timber importer and sawmiller with a lower figure of £158,769 for the year ended May 3, 1980, compared with £163,023. The result was struck after a jump in interest charges from £75,011 to £158,651.

A net final dividend of 5p increases the total payment from 5.3806p to 6.75p per 25p share.

Turnover for the year rose from £3.93m to £4.58m. There was a tax credit of £1,334 (£56,741 charge), the year's tax charge having been entirely offset by the release of provisions for stock relief.

Warrington looks for better margins

NEW WORK amounting to some £6m has been secured so far in 1980 by Thomas Warrington and Sons, building contractor and property investor, and this should show slightly improved profit margins, states Mr. Brian Warrington, chairman, in his annual statement.

Income from the property side will improve in the second half, he adds, as rent reviews are agreed. He warns, however, that the building industry is continuing to have a tough time, and the slowdown in demand for private houses is likely to continue.

Despite outside industrial disputes, a reduction in local authority work and the worst winter for many years, 1979 pre-tax profits rose, as reported, from £244,130 to £306,995 and the net dividend was increased from 3.3279p to 3.5443p.

A year-end balance sheet shows shareholders' funds up from £1.47m to £1.72m. Current liabilities of £2.18m (£1.59m) included an increase in bank overdraft from £0.5m to £1.04m, but the chairman states that this has now been reduced to £0.59m and should be considerably lower at the end of 1980.

The activities of the company are being diversified, and it is now offering a timber preservation service, together with joinery, manufacturing and timber machining for all industries.

Meeting, Chester, July at 11 am.

Bowthorpe over sales target

Overseas sales in the first five months of this year exceeded the target set by the board of Bowthorpe Holdings, the AGM was told by the chairman.

Looking at the overall picture, the company had comfortably achieved its objectives in the first five months, although orders in the UK were slightly below board expectations, particularly in the last two months.

The chairman was confident that the first half of this year would prove to be a period of further progress, but because of the present uncertainty, he declined to make a forecast for the second half.

J. W. Wassall dips by £6,000

A £6,000 drop in pre-tax profits is reported by J. W. Wassall, multiple footwear retailer, for the year to March 31, 1980. The surplus is £71,820 against £77,753 after a rise from £29,067 to £34,118 at midway.

Tax takes £34,756 (£46,254).

The final dividend is 0.48p making an unchanged total of 0.68p.

RKT well down in first six months

A slump in first half profits from £1.01m to £352,000 is reported by Robert Kitchen Taylor and Co., the textiles, knitwear and property group, but the directors reiterate that the major contribution to profits is expected in the second six months.

Stated earnings per share are well down from 17.27p to 5.7p, but the directors are declaring an interim dividend of 3p—last year a first interim of 1.5p was followed by a similar second interim and a final of 7p. Pre-tax profits at the year-end to September 30 were £1.89m (£2.17m).

The directors say the first half has seen the difficult conditions in textiles. The merchanting business is, on the whole, progressing well, while in manufacturing, the natural fibres and underwear operations will do better in the second half.

One of the companies in the man-made knitwear operations has been closed and the provision made last year has been set against the related costs.

The group's investment in the U.S. has been increased in order to enlarge the scope of its operations there.

● comment

The 15p fall to 125p suggests that the market overestimated Robert Kitchen Taylor's ability to ride out the textile sector recession in the euphoria which accompanied the sixfold year end dividend hike and hopes for the property portfolio. But the news is not all bad, since the seasonality of last year's profits was upset by a couple of major merchanting deals in the early months. This time the second half should see the larger contribution, as customers re-stock. Property made a small loss net of financing costs in the half, which a couple of points off lending rates should turn round. Gearing is containable at around 50 per cent and Damart is a useful special situation, so RKT is placed to do at least as well as its peers in a difficult year. At 12 per cent, the yield is around textile sector average, though there may be a few second thoughts when the company reveals an overdue CCA picture.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—S. and W. Berisford, Charter Trust and Agency, Crest Nicholson, Dundee and London Investment Trust, English China Clays, Arthur Lee.

Finals—Arbuthnot Latham, Baker Perkins, Braby Leslie, British Steam Specialties, Brown Shipley, Butterfield Harvey, Continental and Industrial Trust, Dominion and General Trust, ERF, Elswick-Hopper, Hargreaves, Northern Securities Trust, Pauls and Whites, Racal Electronics, Sterling Industries, Tunnel Holdings, Winchmore Investment Trust.

FUTURE DATES

Interims—	
Lookers	June 26
Trusthouse Forte	June 25
Finals—	
Anderson Strathclyde	June 26
Mercantile House	June 25
United Kingdom Property	June 30
Victoria Carpet	June 20

Over £1m for Ariel Industries

A RISE from £494,349 to £608,259 in the second half helped lift taxable profits of Ariel Industries to a record £1.03m for the year to March 31, 1980, compared with £812,949 previously.

Turnover of the industrial fasteners and light engineering products group increased by £1.73m to £8.51m.

A net final dividend of 1.622p raises the total to 2.704p (2.384p) as forecast midway.

Tax took £3,991, against £68,720, and retained profits climbed from £601,189 to £862,228.

Ernest Jones advances

IN the six months to March 29, 1980, pre-tax profits of Ernest Jones (Jewellers) increased from £1.07m to £1.21m. Turnover, including VAT, was £5.67m compared with £4.59m, and, excluding VAT, £4.93m against £4.14m.

After tax up from £554,000 to £631,000, stated earnings per 10p share are 5.8p (5.1p), and the interim dividend is effectively raised from 1.25p to 1.4p — last year's total was an adjusted 3.75p.

The company says that since the end of the first half, new branches have been opened at Milton Keynes, Harlow and Peterborough. In the context of the general economic climate, initial trading in these locations is particularly encouraging, though the contraction of consumer spending is making short-term predictions difficult.

However, a policy of selective expansion is being maintained and is indicative of the Board's confidence in the group's long-term prospects.

MINING NEWS

CRA views the longer term

BY KENNETH MARSTON, MINING EDITOR

RECENT whispers that Conzine Riotinto of Australia is seeking Japanese involvement in a new A$500m (£248m) irbn ore development in Western Australia's Pilbarra have been denied by Mr. Rus Medigan, deputy chairman of CRA, but ba has addad that his group has suggested further iron ore development to the Japanese.

Mr. Madigan, who is in Tokyo with the CRA chairman, Sir Roderick Carnegie, for talks with Japanese steel industry officials said that CRA bed no specific proposal to make to the Japanese on iron ore development in the Pilbarra region and it had no direct ownership of any mineral tenements there.

However, he edded that the company had suggested that Japanese steel mills should examine the development in the longer term of a major nsw railway line and a port to tap further iron ore reserves in the region. He said the areas of interest were between the big Hamersley and Mount Newman iron ore mines in the north of Western Australia.

Mr. Madiean said that CRA saw the need for Japan and Australia to look to the middle of the next century to preserve trade in iron ore.

He pointed out that with the increase in the cost of ocean freight there would ba a rationalisation of movement by sea of basic commodities and, provided Australia remained a dependable supplier, Jaoan conld well decide to purchase even more of its mineral requirements from Australia.

Malaysian tin results

THREE PERAK-BASED tin producers in the Malaysia Mining Corporation group have reported sharply divergent results for tha year to March 31.

Kramat Tin Dredging, one of the six companies within the MMC group which are to be merged to produce a single concern, made a net loss of M$1.16m (£234,000), compared with a net profit of M$666,000 in 1978/79. This produced a net loss per share of 29 cents, against earnings last time of 17 cents.

Kramat's dredge was shut down for six and a half months of the financial year, and during that time major repairs and modifications were carried out. No dividend is to be paid.

Kuala Kampar Tin Fields had a much more satisfactory year, with net profits almost doubled from M$868,000 to M$1.72m (£345,000). Earnings are ahead from 35 cents to 70 cents per share, and a final dividend of 10 cents gross per share brings the total for the year to 40 cents, compared with 60 cents for the previous year.

Net profits at Kampong Lanjut Tin Dredging fell from M$518,000 to M$344,000 (£69,000) in 1979/80, giving earnings of 9 cents per share against 13 cents. The company paid no interim dividend during the year, so the 80 cents final now recommended represents the total distributioo for tha year. This compared with 21.5 cents last time.

Ergo can hold profits with gold at $440

AN AVERAGE gold price of $440 per troy ounce would be required over the year to March 31, 1981, for the East Rand Gold and Uranium (Ergo) re-treatment operation to maintain last year'a operating profit of R64.9m (£36m), according to Mr. Harry Oppenheimar, the chairman.

Gold has remained consistently above this level so far in the current financial year, trading mostly in the $500 to $600 ranga. It was $600¼ yesterday.

Mr. Oppenheimer's calculation allows for predicted unit cost increases arising from inflation and the treatment of lower grades, and takes into consideration profits on uranium and sulphuric acid.

Ergo, part of Sonth Africa's Anglo American Corporation group, was set up in 1977 to reprocess the slimes dams and dumps of old mines on the East Rand to extract the residual gold, uranium and sulpburic acid.

Geevor strike

PRODUCTION is today still likely to be at a standstill at the Geevor tin mina near Lands End in Cornwall for the fourth day running.

Yasterday 260 workers, all members of the TGWU, decided at a mass meeting to continue the stoppage which is over a disagreement concerning training.

Traditionally at Geevor the first 40 shifts worked by a recruit to the underground force are deemed to be a training. The union is opposing a management plan to reduce this period.

NEW AUSTRALIAN MINING AND OIL REFERENCE BOOK

Against the background of beightened investment interest in Australian mining and oil stocks, a new Australian reference work makes a timely appearance. It contains a minerals section covering over 40 commodities and a companies section which gives details of over 300 listed and unlisted mining and oil companies.

Other features include maps and tables. It is intended that the handbook will be updated annually. Entitled, Australian Mining, Minerals and Oil, it is published by The David Ell Press, PO Box 284, Gladesville, NSW, Australia 2111. The price is A$45 plus A$18.50 for airmail delivery to the UK and Europe. The total of A$63.50 is currently equivalent to £31.50.

Better start for export sales at Hawker Siddeley

THE TRADING performance of Hawker Siddeley in the first five months of this year has been noticeably better than that of the corresponding period of 1979, with exports "usefully" up, Sir Arnold Hall, chairman told shareholders at tha annual meeting yesterday.

He warned, however, that in the face of the strong pound, the company was unlikely to achieve the 1978 profits level of £118m.

On prospects overseas, be said the long shadow of the U.S. recession was heing cast on some of the group's operations. "Thera is quite a lot to cope with, but we are making a vigorous response," he assured shareholders.

To a query from e shareholder, he stressed that there was no intention at present of re-entering the aircraft industry (the company's aerospace assets were nationalised about two years ago), but any future plan to do so would have to be viewed as a business proposition, in the light of the industry's prospects.

SAMUEL MONTAGU

Samuel Montagu and Co. has established a wholly owned subsidiary in Hong Kong, Samuel Montagu (Hong Kong) to deal in bullion.

The naw company, which has a paid-up capital of HK$10m, will start trading in early July. Mr. Paul Jeanty, a deputy chairman of Samuel Montagu and Co., wil be chairman, and Mr. Robert Sitt managing director.

Alliance Invst. beats forecast with 3.1p

A better-than-forecast final dividend of 3.1p net is recommended by Allianco Investment Company. At the interim stage, the board forecast a payment of 2.7p, the same aa last year. With a special non-recurring payment of 0.3p, the total for the year is up from 3.75p to 5p.

Second-balf pre-tax revenue increased from £401,000 to £432,000, and the figures for tha year to April 30, 1980, improved by £187,511 to £903,835. Gross revenne for the year was £1.43m against £1.01m.

After tax up from £267,098 to £309,364, stated earnings per 25p share are 5.11p against 3.8p. Net asset vslue after prior charges at par is 153.4p (164.8p).

New company laws seen as threat to clarity of reports

BRITISH and European company law threatens to demand "more and more information, without identifying for wbom the information is of genuina value," Mr. Peter Macadam, BAT Industries chairman, said yesterday at The Accountant and Stock Exchange Annnal Awards ceremony.

Mr. Macadam said ha welcomes "changes to simplify and clarify" presentation of corporata information, but be is "less enthusiastic about adding to reporting responsibilities" which mean that "already complicated reports and accounts will become much more expensive and perhaps less useful."

BAT Industries has suggested to the Department of Trade that companies should be allowed to send out reports "specially tailored to the needs of the ordinary shareholder," said Mr. Macadam, while making "statutory information availabla only to those who wish to receive it."

Awards for the year's clearest and most informative annual reports and accounts by public companies were presented by the Lord Mayor of London Sir Peter Gadsden to Mr. Macadam on behalf of BAT Industries, and Mr. Peter Spira on hehalf of Sotheby Parke Bernet.

Mr. Spira, finance director of Sotheby, said he supported Mr. Macadam in his concern that regulatory authorities, particularly in the EEC, would "strangle ns with accounting requirements." He said his own company faced a further threat from Brussels, namely the imposition of VAT on second-hand art works sold at auction. It would be "resisting any such move," he said.

Mr. George Nissen, daputy chairman of the Stock Exchange, said he believed shareholders "will get a better insight by atudying the curent cost accounting information" provided by the companies in which they invest. CCA would, he said, commend itself as "a truly significant way" of looking at a company's performance.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Mead expects profits decline

BY OUR FINANCIAL STAFF

MEAD CORPORATION of Dayton, Ohio, is feeling the recession in its lumber and automotive castings businesses but pulp, paper and packaging operations continue to do relatively well.

"Second quarter earnings aren't going to be too bad," Mr. James McSwiney, chairman and chief executive officer, said. He is "doubtful" that Meed will show an increased profit for the quarter "but earnings aren't going to fall out of bed." The company expects a "slight" sales gain for the quarter.

In the 1979 second quarter net profit was $38m or $1.39 a share on sales of $650.6m.

As previously reported, first quarter net rose 3 per cent to $31.3m or $1.15 a share from $30.4m or $1.12 a year earlier. Sales rose 5 per cent to $650.4m from $618.8m. The sale last November of a furniture and home furnishings operation that had annual sales of about $90m is reducing sales gains for 1980 periods.

For the year the company expects profits to fall below the $141m or $5.19 a share of 1979 but Mr. McSwiney declined to make a specific projection.

Some securities analysts have predicted a 10-15 per cent decline in Mead's profits for 1980 but Meed officials neither endorsed nor challenged those projections.

Mead has not been hurt very badly by the recession so far and the company thinks it can limit the impact of the downturn on company profits.

White paper, which accounted for about a quarter of Mead's 1979 sales and operating profit, continues in relatively strong demand, Mr. Steven Mason, group vice-president, said. "Paper is coming off allocation and there's an open and free market pretty much across the board" after many months of allocating most products to customers.

Mead and other producers raised paper prices about 4.7 per cent during April and early May "and those prices are holding," Mr. Mason said.

Operating profits from paper in the second quarter and for the year are likely to fall below 1979, he said.

Pulp and wood products operations—mainly jointly owned affiliates of Mead—also are turning in lower operating profits because of the drop in residential construction. The pulp and wood products group produced about 30 per cent of Mead's operating profit last year.

The pulp market is strong and pulp operating profits are higher but lumber mills are operating four-day weeks. Lumber prices are about 30 per cent higher than their lows of earlier this year but still are well below a year ago.

Mead's Canadian affiliates have switched a lot of lumber and plywood into export markets, particularly to Europe, which has helped moderate the impact of the North American housing slump.

Gulf Oil forecasts increased earnings

By Our Financial Staff

GULF OIL Corporation expects profits for its second quarter to show an improvement on the $291m, or $1.49 a share, recorded in the corresponding period of 1979. For the first quarter of the current year Gulf boosted its net income from $1.28 a share to $1.99.

Mr. Jerry McAfee, the chairman, said yesterday that the second quarter figure would exclude a gain of $101m, or 52 cents a share, which would be attributed to the quarter from the sale of part of its holding in Gulf Canada. The sale realised a total of $170m after taxes and expenses.

For all of 1979 Gulf achieved net earnings of $1.3bn, or $6.78 a share, from revenues of $26.1bn. This year's earnings should be "quite good."

U.S. recession prompts cut in Union Carbide spending

BY OUR FINANCIAL STAFF

THE SLOWDOWN of the U.S. economy has led to a re-examination of Union Carbide's capital expenditure programme for 1980 and 1981.

Spending on new construction this year will probably amount to $1bn, down about $100m from previous plans, while 1981 spending will be about $1.1bn, or about $200m below earlier expectations, according to Mr. William Sneath, the group's chairman. He said the reductions come from delays of projects, rather than cancellations.

Mr. Sneath was speaking to bankers in Frankfurt on the launch of the U.S. chemical, metals and consumer products group's 69.34m shares on the Frankfurt Bourse. Earlier this week the shares were introduced to the London Stock Exchange and last night closed at £19¼.

About two-thirds of the company's capital spending bill will be in the U.S., Mr. Sneath said.

Union Carbide generates around $1.2bn a year in cash flow, but after retiring debts of about $100m a year it will probably have to borrow some additional funds to maintain spending plans. He declined to discuss the timing of any future borrowing, but said he believes the downswing in U.S. interest rates has probably gone too far.

Mr. Sneath also said the movement by oil producers into the petrochemical business has caused Union Carbide to re-evaluate its business to some extent. Describing the company as "the largest producer of ethylene in the U.S., he said it will not raise production further.

He reiterated previous forecasts that net income this year may be slightly below 1979's $556.2m when accounting changes are disregarded, despite a 41 per cent rise in first-quarter income, calculated on the same basis.

Union Carbide's chairman also revealed that the group's ferro-alloy business about to be sold to a consortium led by Elkem Spigerverket of Norway is currently operating at a profit.

Agreement in principle on the deal has been signed. The company previously said it expects to realise $285 mfrom the sale, which involves its manganese and silicon businesses but not its ferrochrome operations or its other metals holdings.

Mr. Sneath said one reason behind selling the manganese business lay in Union Carbide's position as a convertor of purchased ore after its own ore in Ghana was exhausted. Silicon products are produced in the same plants and are therefore included in the deal.

After completion of the transaction, Union Carbide will concentrate its activities in the metal sector in chrome, tungsten, vanadium and uranium.

Rising costs put brake on AT & T

By David Lascelles in New York

AMERICAN Telephone and Telegraph, the telephone utility, yesterday reported a small drop in earnings, and confirmed plans to appeal against the recent unfavourable verdict in its anti-trust case with MCI concerning long distance telephones.

Mr. Charles Brown, chairman, said: "It is inconceivable that this verdict and an award—$1.88bn—so grotesquely disproportionate to the alleged occasion for it, can be sustained upon full judicial review. And we are confident such a review will find us to have been fair competitors."

AT and T said that net earnings for the second quarter were $1.40bn equal to $1.99 a share and down slightly on last year's $1.46bn or $2.01 a share. Revenue was $12.4bn up from $11.2bn.

American Medical outlook good

BY TERRY BLYAND

AMERICAN MEDICAL International, whose revenues and earnings come chiefly from its 45 hospitals owned or leased in California and Texas, says that prospects remain excellent for strong earnings growth.

Results for the third quarter of this year show fully maintained sales and profits growth, bringing earnings for the nine months to $23.6m or $2.23 a share—a rise of 28 per cent—and sales of $486.5m—23 per cent ahead of last year.

Third quarter earnings of $8.5m or 80 cents were 29 per cent up, and sales of $174.4m showed a 22 per cent rise.

The board commented that every major area of the company's business, which takes in acute care as well as general hospitals and medical record and hospital management services, continue to perform in line with expectations. New facilities are being added both inside the U.S. and also in the international field—the company already operates five units in Australia, Switzerland and the UK as well as holding a 50 per cent stake in a hospital in Spain.

An increase in earnings from $2.59 to $3.20 a share after adjustment for a stock split has been predicted by Wall Street analysts, who also expect sales to end with a 20 per cent gain.

This growth is likely to come both from new acquisitions and from increased use of existing assets. In July last year, the group paid $8m for a 138-bed hospital in California and was also awarded a $3m contract to develop and manage a hospital in Venezuela. At present, about 85 per cent of profits come from U.S. hospitals and about 11 per cent from hospitals elsewhere in the world.

Share offer by Bankers Trust

By Our Financial Staff

BANKERS TRUST New York, the holding company for Bankers Trust Company, has filed a statement with the Securities and Exchange Commission for the issue of 1.25m shares of common stock. The issue is expected to take place in early July and will be offered through a nationwide group of underwriters headed by Morgan Stanley and Merrill Lynch, Pierce, Fenner & Smith.

Poor quarter at Central Soya

BY OUR FINANCIAL STAFF

THE RECESSION in the U.S. farm industry is reflected in a setback at Central Soya, the leading soyabean processor, which also produces poultry and eggs, and processed feedstuffs. Earnings for the third quarter have tumbled from $9.9m or 60 cents a share to $1.9m or 13 cents.

This brings total earnings for the first nine months to $12.6m or 88 cents compared with $29.2m or $1.97 last time. The latest figures include a $4.3m once-off charge.

Mr. Douglas G. Fleming, the chairman, said that the poultry operations continued to be unprofitable in the third quarter following outstanding earnings in the prior year. This division provided about one-fifth of profit in 1979.

Broiler operations may become profitable during the fourth quarter he added, but it will be impossible for poultry activities to offset the losses incurred so far in this fiscal year.

Feed and farm supplies earnings are being adversely affected by the downturn in the domestic agricultural economy, he commented.

The soyabean processing and grain merchandising operations continued to perform very well during the third quarter.

Mr. Fleming said good margins on soyabean meal and grain shipped during the March-May period, together with improved plant efficiencies had contributed to these improved earnings.

"We believe our grain activities will have a record earnings year."

Central Soya disclosed that it has signed a Letter of Intent for the sale of seven of its river grain elevators to Continental Grain.

It is also negotiating with several companies interested in purchasing its fleet of 206 river barges.

Mr. Fleming said these operations are an autonomous unit and the sale of these assets will not affect Central Soya's remaining grain activities.

The funds generated by the sale will be reinvested in other businesses which offer more stable earnings and greater long-term growth.

Downturn at Collins & Aikman

NET PROFITS at Collins and Aikman, the textile group, tumbled from $6.56m to $4.74m in its first quarter ended on May 31 on sales ahead slightly from $154.3m to $160.1m. Earnings per share were 38 cents compared with 53 cents, Reuter reports from New York.

Abbott Laboratories sees 19% rise for first half

BY OUR FINANCIAL STAFF

ABBOTT LABORATORIES, the health care products group, expects net earnings to increase by about 19 per cent to $1.63 a share in the first half of the current year.

Mr. Robert Schoellhorn, the president, said sales for the six months should rise to about $940m, up 18 per cent from the $797.2m total in the corresponding period.

In the first quarter of the year Abbott's profits rose by 20 per cent to $46.23m, or 77 cents a share, and for the first half last year the profit total was $82.6m, or $1.37 a share.

Mr. Schoellhorn said the company was devoting substantial resources to developing new diagnostic tests and instrumentation for detection of hepatitis, cancer, heart disease, rubella and other diseases. Nine new diagnostic tests had been introduced in 1979 and six so far this year.

Abbott also believes it has achieved leadership in the $100m market for oral medical nutritional products.

Interest rates hit Avco

By Our Financial Staff

RECORD INTEREST rates and inflation have left Avco Corporation, a major consumer finance and insurance group, with second quarter profits well down from $36.7m to $20.7m. Revenues for the period to May 31 were up from $485.5m to $530.3m, and per share earnings came out at $1.10 against $2.53.

The company said that in order to hold down increased interest expenses in the period it curtailed its receivables in the finance and insurance operations.

INTERNATIONAL BONDS

$100m issue by Unilever

By Our Euromarkets Staff

UNILEVER NV, the Dutch arm of the Anglo-Dutch detergent, margarine, oils and trading combine, is raising a $100m ten-year bond through a group of banks led by Amsterdam Rotterdam Bank. The notes, which have an average life of eight years, carry a coupon of 9¾ per cent.

They have been priced at 99½, which gives buyers a yield of 9.83 per cent. The 9¼ per cent Unilever NV bond to 1987 which was launched last summer was trading at a level which offered potential buyers a yield of 10.3 per cent yesterday afternoon.

Secondary market trading was very quiet in the dollar sector yesterday with most investors continuing to display great reluctance to buy new straight dollar bond issues which yield below 10 per cent. Prices weakened by about ½ of a point across the board, partly in response to the ½ point drop recorded in the New York market on Tuesday afternoon.

The only recent issue which appears to be meeting with strong demand in the dollar sector is the 10¼ per cent bond to 1987 for the World Bank. Investors are unlikely to go on a buying spree for new issues, according to some dealers, when they can obtain yields of up to 1½ points higher on bonds outstanding for the very same names which have in the past few days approached the market offering yields of below 10 per cent.

In the Deutsche Mark sector trading was quiet with prices up by ¼ of a point on the day. Borrowers are reluctant to raise D-Mark denominated bonds at present because they expect coupons to fall and the currency to strengthen against the U.S. dollar, according to a number of German bankers.

Credit National seeks $78.4m

By Francis Ghilès

THE FRENCH state lending institution, Credit National, is to raise a $78.4m loan, a $28.4m tranche of which is denominated in European Currency Units of Account. The borrower is paying a spread of ⅜ per cent over the London interbank rate on three or six-month dollar deposits for the first five years, rising to ½ per cent, on the U.S.$50m dollar tranche.

On the ECU 20m ($28.4m) tranche, the borrower is paying the same spread which will be calculated over the mean of the six-month interbank rate of the nine currencies which make up the European Currency Unit of Account (French franc, Deutsche Mark, sterling, lira, florin, Belgian and Luxembourg francs, Danish krone and Irish punt).

This tranche can be drawndown by the borrower in any of those nine currencies and others, not least the U.S. dollar if it so chooses.

The loan which is guaranteed by the Republic of France, has been arranged by Credit Lyonnais and the Caisse des Depots et Consignations.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 18

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	80	93⅞	94⅜	0	+0⅛	11.06
Australian Res. 9⅛ 84	30	96⅞	97⅜	+0⅛	+0⅛	10.50
Beneficial Fin. 9¼ 87	100	94	94½	0	0	10.95
CECA Grad. Rate 12 86	100	99⅞	100⅜	−0⅛	+0⅛	11.15
CECA 11¾ 90	50	101	101½	−0⅛	+0⅛	11.35
CECA 11½ 88	100	102⅞	103⅛	−0⅛	+0⅛	10.93
Canadian Pacific 9¾ 89	50	94⅞	95⅜	−0⅛	+0⅛	10.82
Carter Hawley 9⅞ 86	50	94⅞	94⅞	−0⅛	+0⅛	11.01
Continental Grp. 9⅞ 86	100	95⅛	95⅝	−0⅛	+0⅛	10.87
Denmark 11⅝ 90	100	101⅛	101⅞	−0⅛	+0⅛	11.46
Dome Petroleum 13½ 92	50	105½	106	−0⅛	+1⅛	12.53
EEC 11 95	75	98⅞	99	−0⅞	+0⅛	11.17
EIB 11⅛ 92	80	100½	101	−0⅛	+0⅛	11.50
EIB 13⅞ 90	100	108⅞	109⅜	−0⅛	−0⅛	12.05
Eksportfinans 11⅜ 87	50	101⅞	102⅜	+0⅜	+0⅞	10.75
Export Dv. Cpn. 9⅞ 84	150	98⅞	98⅞	−0⅛	+0⅛	10.12
Export Dv. Cpn. 12½ 87	190	107	107½	−0⅛	+0⅛	11.18
Federal Dev. Bk. 12⅛ 85	75	105½	106	−0⅛	+0⅛	10.67
Finland, Rep. of 9½ 86	100	94⅞	95	−0⅛	−0⅛	10.75
Ford O/S Fin. 12⅛ 85	250	101½	102	−0⅛	0	12.11
George Weston 13½ 87	30	103½	104	0	+1	12.65
GTE Finance 9⅞ 89	55	92½	93	+1⅛	+1⅛	11.06
GMAC 9⅞ 86	100	95	95½	+0⅛	+1⅛	10.35
GMAC O/S Fin. 11 84	100	101⅛	101⅝	−0⅛	+0⅛	10.52
GMAC O/S Fin. 13⅞ 86	100	107	107½	−0⅛	0	11.31
Goodyear O/S 12½ 87	75	99½	100	−0⅛	0	12.55
IBM Canada 10⅞ 85	50	101⅛	101⅞	−0⅛	−0⅛	10.07
ICI Fin. Ned. 11 83	100	101⅛	101⅝	−0⅛	+0⅛	10.43
Kennecott Int. 9⅞ 86	100	90⅞	90⅞	0	+2	11.85
McGraw 13⅛ 85	75	103⅞	104⅜	−0⅛	+1⅛	12.33
Michelin 10 94	125	92⅞	93⅜	−0⅛	+0⅛	11.01
Nat. Dev. Telecom. 9½ 86	100	96⅞	97⅜	+0⅛	+1⅛	10.13
Norway 9½ 84	150	97⅞	98⅜	−0⅛	+0⅛	10.13
Norwest Ind. 13⅛ 87	50	102⅞	102⅞	−0⅛	+1	13.00
Nova Scotia Pwr. 9⅞ 89	50	93⅞	94⅜	+0⅛	+1⅛	10.83
Quebec Hydro 11⅛ 92	100	99½	100	+0⅛	−0⅛	11.54
Rayleese Ltd. 11⅛ 86	50	102	102½	−0⅛	+1⅛	10.84
SNCF 12⅞ 85	50	106⅞	107⅜	−0⅛	+0⅛	10.47
Statoil 9⅞ 89	100	95⅞	96⅜	−0⅛	+1	10.34
Swed. Ex. Cred. 12½ 85	40	104⅞	104⅞	0	+0⅛	11.20
Sweden 8⅞ 89	100	94⅞	95⅜	−0⅛	+1⅛	10.64
Sweden 9⅞ 84	190	98⅞	98⅞	0	+0⅞	10.15
Werner-Lambert 0 84	100	96⅞	97⅜	−0⅛	+1	0.93

Average price changes... On day −0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	101⅞	102⅜	−0⅛	−0⅛	8.67
Asian Dev. Bank 10 90	200	109	109½	0	+0⅛	9.55
Australian 6¾ 90	250	101⅞	102	+0⅛	+0⅛	7.87
BFCE 7⅞ 87	100	99	100	+0⅛	+0⅞	7.84
BFCE 8⅞ 95	150	99⅞	100⅛	+0⅛	+0⅛	8.19
Brazil 8 87	150	93⅞	94⅜	+0⅛	−0⅛	9.23
CECA 7 01	150	94	94⅛	−0⅛	+1⅛	7.78
Council of Eur. 7⅞ 89	100	94⅞	95	+0⅛	+0⅛	8.12
Denmark 7⅞ 86	100	98	99	+0⅛	+0⅛	8.20
Denmark 8⅞ 92	100	99⅞	100⅛	0	+1	8.28
EEC 7⅞ 94	225	98⅞	99⅜	−0⅛	+0⅛	8.02
EIB 7½ 88	200	97⅞	98	0	−0⅛	7.88
Finland Rep. of 8 86	150	98⅞	99⅜	+0⅛	+0⅛	8.14
Kobe, City of 7⅞ 89	100	95⅞	96	+0⅛	+0⅛	7.80
Neder. Gasunie 9 86	100	101⅛	102⅛	+0⅛	+0⅛	7.63
Norway 7½ 85	250	99⅞	99⅞	0	+0⅛	7.62
OKB 7⅞ 89	100	95⅞	96⅞	+0⅛	+0⅛	9.01
Oslo, City of 8⅞ 90	80	102⅞	103	+0⅛	+0⅛	8.33
Sweden 9⅞ 87	200	106⅞	107⅛	+0⅛	+0⅛	9.32
World Bank 7⅞ 91	400	97⅞	98⅛	+0⅛	+0⅛	6.06
World Bank 7⅞ 90	250	98	98⅛	0	+0⅛	8.11
World Bank 10 86	150	107⅞	108⅛	0	+0⅛	8.17
World Bank 10 90	200	109⅞	110⅛	+0⅛	+0⅛	8.44

Average price changes... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	93½	94	+0½	−1⅛	9.43
Aumar 5 89	90	92½	93	0	−0⅛	6.06
Bergen, City of 4⅞ 91	40	86	86½	+0⅛	0	5.20
Bergen, City of 9 90	50	†103	103½	0	0	5.57
BNDE 5 89	75	88⅞	88⅞	0	+0⅛	6.73
BMW Overseas 4⅞ 91	100	92	92½	−0⅛	−0⅛	0.15
Buhrm'n-Tetterode 7 90	40	105⅞	105⅞	+0⅛	0	6.25
Caisse Nat. Tele. 4⅞ 89	100	95½	96	+0⅛	+0⅛	4.96
CCCE 5⅞ 90	100	102⅞	102⅞	0	0	5.42
Copenhagen 4⅞ 01	90	90⅞	91⅛	+0⅛	+0⅛	5.59
Council of Eur. 5 89	100	95⅞	95⅞	+0⅛	+1⅛	5.57
EIB 4½ 91	100	92	92½	0	−0⅛	5.45
EIB 4⅞ 94	100	88½	89	0	+0⅛	5.54
Elet. de France 4⅞ 89	100	94⅞	95⅛	+0⅛	0	5.07
GZB 4⅞ 89	100	91⅛	91⅝	0	−0⅛	5.43
Hilti 4⅞ 91	35	94⅞	94⅞	−0⅛	−0⅛	4.90
Int.-Amer. Dev. 4⅞ 89	100	92	92½	−0⅛	0	0.80
Int.-Amer. Dev. 7 90	80	106⅞	106⅞	−0⅛	−0⅛	5.12
Jutland Tele. 5⅞ 90	50	100⅞	101⅛	+0⅛	+0⅛	5.38
Malaysia 5 89	80	†90½	91	0	+0⅛	0.34
Nippon Tel. & T. 4⅞ 89	100	95⅞	96	−0⅛	+0⅛	4.86
Nordic Bank 5 89	45	†96	96½	+0⅛	0	5.53
Norges Komm. 4⅞ 01	100	92	92½	−0⅛	−0⅛	5.30
OKB 4⅞ 91	100	91⅞	91⅞	−0⅛	+0⅛	5.38
OKB 0 90	100	104⅞	104⅞	0	±0⅛	5.41
Oslo, City of 4⅞ 91	100	90⅞	91⅛	0	+0⅛	5.46
Ohikoku El. Pwr. 4⅞ 89	100	94⅞	95⅛	−0⅛	+0⅛	5.47
Voest-Alpine 4⅞ 89	100	†95⅞	96	−0⅛	−0⅛	5.36
World Bank 4⅞ 89	100	†96	97	+1⅛	+0⅛	0.08
World Bank 4⅞ 89	150	92⅞	92⅞	−0⅛	0	5.42
World Bank 4⅞ 91	100	92⅞	93⅛	−0⅛	+0⅛	5.45

Average price changes... On day 0 on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.8 83	30	91⅞	92⅜	0	+0⅛	8.29
Australia 6⅞ 88	20	89⅞	90⅛	+0⅛	+0⅛	8.32
[illegible] 89	12	89⅞	97⅛	0	+0⅛	8.34
Finland 5.6 83	10	97⅛	97⅝	+0⅛	−0⅛	8.53
Finland 5.8 88	10	89⅞	91	+0⅛	+0⅛	9.58

Average price changes... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅞ 86 C$	60	95⅞	96⅛	+0⅛	+0⅛	11.62
CIBC 13⅞ 85 C$	50	105	105½	−0⅛	+0⅛	12.01
Cr. Foncier 10⅞ 84 C$	30	†92	93	−0⅛	−1	12.93
Fst. Can. Inv. 10 84 C$	50	96	96½	+0⅛	+0⅛	11.56
GMAC 12 85 C$	50	†100	100½	0	+0⅛	11.83
Quebec 10⅞ 86 C$	50	92⅞	93⅛	0	+0⅛	11.68
R. Bk. Canada 10 86 C$	40	94⅞	94⅞	0	+0⅛	11.35
R. Bk. Canada 10 94 C$	40	88⅞	88⅞	+0⅛	+0⅛	11.71
Tordom Cpn. 13½ 86 C$	30	105⅞	105⅞	+0⅛	+1	11.94
M. Bk. Dnmk. 9 91 EUA	25	95⅞	96⅛	+0⅛	+0⅛	9.61
SOFTE 8⅞ 89 EUA	40	86⅞	88⅞	−0⅛	+0⅛	10.60
U. Bk. Nrwy. 9½ 90 EUA	18	97⅞	99	0	−0⅛	9.75
Algemene Bk. 8⅞ 84 Fl	75	96½	97	0	−0⅛	0.79
Ned. Gasunie 8⅞ 84 Fl	50	98⅞	99⅛	+0⅛	+0⅛	9.01
Ned. Middbk. 8⅞ 84 Fl	75	95⅞	96	−0⅛	−0⅛	9.62
Norway 6⅞ 84 Fl	100	96⅞	97⅛	0	−0⅛	9.25
Norway 8⅞ 84 Fl	100	97⅞	97⅞	0	−0⅛	8.98
Philips Lamps 8⅞ 84 Fl	75	97	97½	+0⅛	−0⅛	9.19
Air France 11 84 FFr	120	95	95⅞	0	+0⅛	12.43
CECA 14⅞ 86 FFr	150	104⅞	105⅛	−0⅛	+0⅛	13.00
Euratom 9⅞ 87 FFr	150	84⅞	85⅛	−0⅛	+0⅛	13.10
Finland 11 84 FFr	80	94	94½	−0⅛	0	12.77
Finland 11⅞ 89 FFr	70	92½	93⅛	+0⅛	+0⅛	12.80
Gaz de France 11 84 FFr	150	95⅞	97	+2	+2⅛	12.07
IBM France 11⅞ 84 FFr	120	96⅞	98⅛	−0⅛	+0⅛	12.58
Renault 9⅞ 85 FFr	100	86⅞	87⅛	0	+1	13.41
Saint-Gobain 9⅞ 86 FFr	130	85⅞	86	0	+0⅛	13.41
Solvay et Cie 9⅞ 87 FFr	125	83⅞	85	+1⅛	+1⅛	13.36
Beneficial Fin. 14⅞ 90 £	20	100⅞	101⅛	+0⅛	+2⅛	14.04
Citicorp O/S 13½ 90 £	50	98⅞	100⅛	−0⅛	+2⅛	13.44
EIB 11½ 91 £	25	91⅞	92⅛	0	+1	12.90
Fin. for Ind. 12½ 89 £	30	87	97⅛	−0⅛	+0⅛	13.03
Fin. for Ind. 14½ 88 £	20	103⅞	104⅛	−0⅛	+2⅛	13.64
Gen. Elec. Co. 12½ 89 £	50	96⅞	97⅛	−0⅛	0	13.04
Swed. Ex. Cr. 15⅞ 85 £	20	104⅞	105	+0⅛	+2⅛	13.83
Indonesia 8½ 91 KD	7	†93	93½	0	0	9.77
Mitsubishi 7½ 84 KD	10	†92⅞	93	0	0	9.75
Norges Kom. 7½ 89 KD	12	†93⅞	93⅞	0	0	8.55
Occidental 6⅞ 91 KD	7	†90⅞	90⅞	0	0	9.68
Akzo 9⅞ 87 LuxFr	500	93	94	−0⅛	+0⅛	10.54
Euratom 9 87 LuxFr	500	89⅞	90⅞	0	+0⅛	10.18
Euratom 9⅞ 88 LuxFr	500	97⅞	98⅛	0	+0⅛	10.07
EIB 9⅞ 88 LuxFr	600	97⅞	98⅛	+0⅛	0	10.14
Volvo 9⅞ 87 LuxFr	500	97	98	+0⅛	+0⅛	10.22

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅞ 87	0⅛	97⅞	98⅛	2/7	15⅞	15.41
Banca di Roma Int. 6 87	0⅛	100½	101	26/10	15.31	15.20
Bank of Ireland 5⅞ 89	‡0⅛	98⅞	98⅞	21/8	11.81	12.01
Bank of Tokyo 5⅞ 89	‡0⅛	97⅞	98⅛	25/10	16.56	16.90
Barclays O/S Inv. 5 90	0⅛	98	98½	13/12	9⅞	9.88
Bergen Bk. A/S 6 89	‡0⅛	97⅞	97⅞	29/8	10	10.27
Bque. Indo Suez 6⅞ 89	0⅛	98⅞	99⅛	11/7	14.69	14.84
Citicorp O/S F. 9 94	‡0⅛	98⅞	98⅞	8/8	10⅛	10.27
Citicorp O/S F. 89	§0⅛	98⅞	99⅛	23/8	10.19	10.25
Citicorp O/S F. 84	‡0	98⅞	98⅞	30/5	9.81	9.98
C. Itoh 5⅞ 87	0⅛	101	101½	18/9	19.44	19.29
Co-operative Bk. 8 86	0⅛	98⅞	98⅞	15/11	11.44	11.60
Creditanstalt 5½ 91	§0⅛	97⅞	98	14/9	9.44	9.65
CNT 5⅞ 86	0⅛	101⅞	102⅛	16/10	18⅛	17.77
GZB 5½ 89	‡0⅛	98⅞	99⅛	1/8	15⅛	15.42
Jugobanka 8 89	0⅞	90⅞	91⅛	23/11	11⅛	12.77
Ind. Bank Japan 5⅞ 87	0⅛	101⅞	101⅞	15/10	18⅞	18.47
LTCB Japan 5⅞ 86	0⅛	98⅞	99⅛	13/12	9⅞	9.73
LTCB Japan 5½ 89	0⅛	98⅞	99	7/12	10⅛	10.25
Mfrs. Han. O/S 5⅞ 94	‡0⅛	97⅞	98⅛	31/8	9⅞	10.06
Midland Intl. Fin. 5 89	0⅛	100	100½	20/6	15	14.96
Midland Intl. Fin. 5⅞ 92	0⅛	99	99½	5/12	10⅞	10.96
Nacional Fin. 6⅞ 86	0⅛	98⅞	98⅞	25/7	14.69	14.91
Nat. West. 5⅞ 94	§0⅛	101⅞	101⅞	11/10	18⅞	18.35
Nippon Credit 6½ 89	0⅛	97⅞	98⅛	12/7	14.44	14.73
Nippon Credit 5⅞ 87	‡0⅛	97⅞	98⅛	0/8	14⅞	14.66
Royal Bk. Scot. 5⅞ 94	§0⅛	98⅞	99	11/7	19⅞	19.76
Soc. C. de Bque. 6½ 87	0⅛	100⅞	101⅛	3/10	20.06	19.96
Soganal 5⅞ 89	§0⅛	98⅞	98⅞	13/7	14.44	14.86
Standard Chart. 5⅞ 90	0⅛	101⅞	102⅛	9/9	17⅛	16.91
Swedeo 8⅞ 91	‡0⅛	97⅞	97⅞	18/10	18⅞	19.18
Williams & Glyn 5⅞ 91	0⅛	100⅞	101⅛	14/8	18⅞	18.21
Bq. E. d'Alg. 4⅞ 89 SF	0⅛	86⅞	87½	18/6	6.69	7.58

Average price changes... On day 0 on week +1⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktiebolag 7⅞ 89	10/79	145	†123	124	+3⅛	−3.59
Ajinomoto 7⅞ 95	2/80	915.5	106	107	+0⅛	−7.06
Alco Int. Fin. 9½ 94	1/80	40	95⅞	96⅛	+0⅛	33.96
Apache I. Fin. 8⅞ 86	12/80	31.89	†111	112	−0⅛	49.59
Asahi Optical 7 94	11/79	528.1	†100⅞	101⅛	+7	−2.13
Canon 6⅞ 94	6/79	570	113⅞	114⅛	+1⅛	0.36
Credit Suisse 4⅞ 93	10/79	1278	101⅞	102⅛	0	−3.49
Daiei Inc. 6½ 94	11/79	827.2	99⅞	100⅛	+1⅛	−21.00
OOKK 11 90	4/80	324	†112⅞	113⅛	−0⅛	11.21
Dynalectron 9⅞ 95	6/80	12.22	†107	108	−1	−3.62
Enserch Fin. 9⅞ 94	7/80	30.25	114⅞	115⅛	+0⅛	5.03
LPC International 8 89	0/79	23.33	†103	104⅛	+1⅛	13.21
Meidensha Elec. 7 94	12/79	210	†100	101	0	9.86
Mitsubishi Cp. 6½ 94	10/79	549.1	†129⅞	131	+0⅛	2.97
Nippon Seiko 7⅞ 94	12/79	338	†113⅞	114⅛	−2	7.33
Nitto Elec. Ind. 0 94	7/79	735	†87⅞	88⅛	+2⅛	9.42
Toshiba Cpn. 7⅞ 94	10/79	156	101⅞	102⅛	+0⅛	−1.50
Union Bk. Switz. 5 89	2/80	121.4	99⅞	100⅛	+1⅛	4.59
Fujitsu 5 84 DM	7/79	475	102⅞	103⅛	+1⅛	8.77
Kansai Elec. 4 84 DM	4/79	1234	87⅞	88⅛	+0⅛	32.97
Uny Co. 6⅞ 86 DM	11/79	1071	95⅞	96⅛	+0⅛	25.33

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CHANGED CLIMATE AT SEMPERIT

Austrian tyre group cuts losses

BY PAUL LENDVAI IN VIENNA

SEMPERIT, the Austrian tyre and rubber group, has made a substantial advance in cutting losses and putting the company on a self-supporting basis. This is tha gist of the first annual report issued since Dr. Franz Leibenfrost took over as chairman of the Board and director general in May, 1979 after the end of co-operation with Kleber-Colombes, which is effectively controlled by the Michelin tyre group of France. The two companies had a joint venture through a Swiss holding company, Semkler.

Turnover last year rose by 13 per cent to Sch 8.3bn ($658.73m) and the share of exports also increased from 54.7 per cent to 58.3 per cent of the group turnover. Even more important is, however, the sharp decline in losses from Sch 600m ($47.6m) in 1978 to Sch 296m last year and that the outflow of cash was reduced from Sch 320m to Sch 9m.

The management now takes "a cautiously optimistic view of the future." The increase of the capital by Sch 570m, through a rights issue, indicates tha growing confidence of the Creditanstalt Bankverein, the majority shareholder, in the new management's ability to carry out a complete redeployment of production and establish new marketing priorities.

As a first step a Sch 285m rights issue at 100 per cent will increasa Semperit's capital to Sch 1.43bn. The new shares taken up by the Creditanstalt will he offered to shareholders on a one-for-four basis and on a one-for-20 basis to debenture holders.

Dr. Heinreich Treichl, director-general of Creditanstalt and chairman of Semperit's supervisory Board spoke of "a changed climate."

Despite a steady rise in costs, rationalisation has helped to absorb the costs which could not be passed to customers in form of higher prices. A major breakthrough has been achieved in sales to Japanese motor and car prodncers.

Sales of car tyres to Japan rose from 17,000 in 1978 to 413,000 last year and are expected to reach some 600,000 this year. In all, turnover in the tyre sector was up by 13 per cent last year to Sch 4.95bn.

Sales duriog the first five months of 1980 were 11 per cent up on the same period last year with turnover in tyres rising by 18 per cent. Operating revenues have also been much hetter.

The Board still expects a book loss for 1980, but sees a positive cashflow. Investments this year will be primarily devoted to the introduction of oew bigh-speed tyres as well as to the further build-up of lorry tyre capacities. In addition, prodnction of tubes, medical gloves and other products will also be modernised.

Norwegian bank shows lower profit

By Fay Gjester in Oslo

DEN NORSKE Creditbank (DnC), Norway's largest commercial hank, reports slightly lower profits for the January-April period this year. Another leading bank, Bergen Bank, saw profits rise in the same period.

DnC says that operating profits were NKr 96.7m ($20m) in tha first four months of 1980—equivalent tn 1.56 per cent of average total assets. The figures for January-April last year were NKr 100m and 1.82 per cent.

Deposits rose by 11 per cent in the year to the end of April, with high-interest accounts showing the most marked growth.

Net interest earnings fell slightly tn Nkr 168m ($34.62m) from NKr 169m. The bank has been hit by the strict curbs on lending, which restricted its earnings on advances, but it foresees an improvement later this year, partly as a result of increased charges for bank services.

Assets at the end of April totalled NKr 17.7bn, compared with NKr17.4bn at end of December, and NKr 15.8bn at the end of April last year.

Bergen Bank's operating profits in the four-month period reached NKr 75m against NKr 66m in 1979. Net interest earnings were NKr 104m (NKr 102m) and total assets at the end of April were NKr 14.4bn—NKr 2bn up on the year earlier.

Good start to year at Stinnes

BY JONATHAN CARR IN BONN

STINNES, the West German trading and transport concern which is a key subsidiary of the Veba group, raised turnover sharply in the first four months and expects another profitable year.

The company says that turnover rose by one third against the first four months of 1979 to DM 4.37bn ($2.47bn). While some slackening of demand was expected later this year, there were so far few signs of it.

This buoyant business follows what Stinnes describes as its most successful year since the war with group profit of DM 152.2m ($86.11m) up hy 14.3 per cent against 1978. Some DM 25.2m of the profit is being paid to the Veba parent.

Group turnover rose in 1979 by more than 10 per cent to DM 12.1hn—based on an increase of 2.5 per cent to DM 9.68bn at bome and 52.3 per cent to DM 2.5hn abroad. The achievement is tha more striking as Stinnes shed two of its divisions through the 1978 deal between Veba and Deutsche BP, thereby "losing" about DM 3bn in turnover.

● Michelin Reifenwerke, the West German unit of the French Michelin tyre group, expects higher costs to reduce 1980 earnings from the DM 43m ($24.33m) of 1979, AP-DJ reports from Karlsruhe. Last year earnings dropped 32 per cent from DM 63.2m in 1978, the company reported. The drop was attributed to higher costs of raw materials and labonr as well as higher interest paid

The Michelin subsidiary also reported that its 1979 sales rose by nearly 11 per cent to DM 1.75hn ($990.10m), which represented an increase in tyre sales of volume of 7.9 per cent.

Krupp Stahl lifts sales by 20%

BY OUR FINANCIAL STAFF

THE STEELMAKING arm of the Krupp gronp of companies, Krupp Stahl, formerly Fried. Krupp Huettenwerke, lifted sales 20 per cent in the first five months of this year to an average of DM 527m ($298.25m) per month, Dr. Wilhelm Scheider, managing Board chairman, said at the annual meeting of shareholders in Bochum.

The specialty steels division once again produced pleasing results. In 1979, this division accounted for 48 per cent of Krupp Stabl's turnover of DM 5.28bn ($2.99hn).

However, Dr. Schelder said that ordinary steel products were still causing losses in the first five months but generally improving, if mixed, results, were reported from the steel processing operations.

Krupp Stahl was still operating at a profit and despite problems sucb as rising costs there were no grounds for pessimism.

Dr. Scheider noted that the group's rationalised structure offered some protection against devalopments on the steel market.

He declined to forecast 1980 results but said that in the second balf a weakening in demand may spread from the motor industry to other steel markets, particularly because of the running down of stocks.

The group reported a 1979 net profit of DM 10m ($5.66m) compared with a DM 66m loss on DM 4.44hn of sales in 1978.

All sectors sbowed a turnover rise in the January-May period this year but the chairman noted that abont half of the improvement was attributable to new acquisitions.

The average raw steel output in January-May reached 466,000 tonnes a month, about 3.2 per cent higher than last year's average, Dr. Scheider said.

Rolled steel sales rose 10 per cent in value terms but barely cbanged in volume. Steel sales in EEC neighbour countries were well op, while non-EEC demand fell sharply and domestic demand rose slightly.

Competition on the homa market was growing, leaving little room to pass on cost increases, he added.

Tight margins hit Dresdner unit

BY NICHOLAS COLCHESTER

THE SQUEEZE on spreads and interest differentials in the Eurocurrency market depressed the earnings of Compagnie Luxembonrgeoise de la Dresdner Bank (CLDB), the Eurobanking offshoot of the big German bank, in the year to March 31, 1980.

But continued improvement in commissions and in profits on foreign exchanga and bullion trading enabled the Luxembourg bank to record a profit after tax of DM 64m ($36.2m) only DM 6m down on the result for the previous year.

The overall balance-sbeet of the bank grew by one-fifth to DM 19.4bn ($10.97bn) and the pressure on spreads dictated the way in wbicb tbis growth was distributed. Interbank assets (arising from money market operations) grew disproportionately, with their total rising by DM 1.7bn to a total of DM 7.4bn. At the same time loans to customers, including loans to other banks, grew by only DM 750m to DM 7.2bn.

Herr Volker Burgbagen, tbe bank's managing director, explained that the management had held back on medium- and long-term business last year and had shifted the geographic distribution of the bank's credit risk further towards Western Europe.

On the funding side of the bank's balance-sheet Herr Burghagen drew particular attention to non-bank deposits. Deposits from customers tend to he more secure and profitable than interbank deposits.

The volume of such deposits lodged with (CLDB) increased from DM 2.7bn to DM 3.9bn over the last business year. They thus reached 20 per cent of total liabilities—a proportion which Herr Burghagen says compares with around 5 per cent for rival Euromarket hanks in Luxembourg.

Herr Burghagen reported no noticeable improvement in interest differentials sioce the end of March. But there was, be said, a "silver lining" in the shape of the securities markets. CLDB managed to avoid losses in last year's testing international hond market by sharply reducing its bond boldings in early 1979.

Over the last two months it reversed this stance with a "strong build-up" of bond holdings to a current total of DM 2bn equivalent. As this coincided with a sharp improvement in hoth the DM and dollar bond markets, Herr Burghagen hopes that it will stand CLDB in good stead.

CLDB paid an unchanged dividend of DM 27m to its Frankfurt parent.

Rorento share value up by 6.2%

AMSTERDAM—Rorento, the Dutch investment fund specialising in fixed-interest securities, said the net value per share of the fund increased by 6.2 per cent to Fl 111 in the quarter ended May 31, compared with Fl 104.50 the previous quarter, ended Febraury 29, AP-DJ reports.

Total net assets at the end of the May 31 quarter amounted to Fl 2.26hn ($1.17bn) compared with Fl 2.19bn at the end of fiscal 1979-80. Outstanding shares totalled 20,347,890 compared with 20,970,890.

Rorento credited the rise in the net value per share to the decline in interest rates in its major investment countries, the appreciation of the sterling exchange rate to Fl 4.57 from Fl 4.45, and to interest received.

On balance, the Fund said, the average life to maturity of the portfolio increased to 6.1 years on May 31 from 5.6 years on February 29.

Oil exporters' foreign assets at $236bn

BY NICHOLAS COLCHESTER

IDENTIFIED FOREIGN assets of the oil-exporting countries stood at $236bn at the end of 1979 of which some $115bn were lodged with hanks, according to a detailed analysis of the surplus of oil exporting countries in the latest edition of the Bank of England Quarterly Bulletin.

The study provides an interesting insight into the hreakdown of this formidable acumnlation of oil wealth and how it has developed since 1973. Eighty per cent of the surplus is invested in industrial countries. Some 24 per cent, $56.9hn, is currently invested in the UK, of which $45.7bn consists of foreign currency deposits with UK banks. Deposits in sterling account for $4.1bn and investments in UK Government bonds and Treasury hills $2.1hn.

The U.S. share of the cumulative oil wealth is only marginally less than that of the UK at $55.4bn and this is much more evenly spread hetween portfolio investments, hank deposits and holdings of U.S. Government debt. At the end of 1979 ahout 17 per cent of the total ($51bn) were identifief in France, West Germany, Japan, the Natherlands, Belgium, Italy and Canada. Of these 80 per cent were in the form of hank deposits.

Some 77 per cent of the amount held in bank deposits was in the Euromarkets at the end of 1979—that is—in hank deposits denominated in currencies other tban those of the countries in which the banks are located.

The UK accounted for just over balf of these euro-deposits. The U.S. dollar accounted for 68 per cent of all hank deposits with 20 per cent being ln D-Marks, Swiss francs and Japanese yen.

As for the currency composition of all identified assets of the oil exporters the proportion accounted for hy U.S. dollars has held stable at around three quarters since 1974. The proportion denominated in the pound sterling has fallen from 10 per cent in 1974 to around five per cent today—although this figure has shown a stroog recovery in recent months.

Cii Honeywell payout

PARIS—Cii-Honeywell Bull, the Franco-American data-processing cmopany in wbich Honeywell Information systems of the U.S. has a 47 per cent interest, is to pay a net interim dividend of FFr 3.90 (95 cents) per share on increased capital for its 1980 financial year compared with FFr 8.72 previously.
AP-DJ

Denmark plans 20-year bond

COPENHAGEN — The Danish Government will begin floating 20-year domestic bonds with a 12 per cent coupon before the end of 1980, a Finance Ministry official said. The bonds, to be priced on the first day of trading, will be issued on tap, Reuter reports.

The record maturities and coupon compare with the current maximum term for Government bonds of 12 years at 10 per cent interest.

The official said the longer life bonds would be issued to cover the Government's budget deficit and soak up liquidity.

BNP forecasts further rise in annual earnings

PARIS — Banque Nationale de Paris (BNP), one of tha "big threa" French nationalised banks believes its earnings will show a further improvement in 1980 despite a number of negative factors.

The BNP group in April reported a net consolidated profit of FFr 584m ($141.7m) for 1979, an increase of 10.6 per cent on the 1978 total of FFr 528m. Excluding minority interests, net income for the group came to FFr 556m, up 11.2 per cent from tha 1978 result of FFr 500m. Foreign operations contributed 40 per cent of BNP'a earnings last year.

M. Jacques Calvet, the BNP president, said the bank expects its deposit inflow to be affected this year by the moderation of disposable incomes and above all, by competition from the bond market, where yields are proving attractive.

M. Calvet said the Government'a credit curhs would entail a decline in the volume of credits extended by BNP this year compared with 1979.
AP-DJ

Bankers value UIC above bid price

By Georgie Lee in Singapore

MORGAN GRENFELL ASIA, the merchant bank, has advised sharehloders of United Industrial Corporation (UIC) to reject the offer of S$5.50 per share for their shares by the local investment holding and trading company, Tang Eng Pte.

The bank, which is advising UIC in its current takeover saga, has reassessed the value of the shares at about S$6.95 each, to give a total value of some S$123m (US$58m).

The merchant bank earlier this year valued UIC shares at between S$5.88 and S$7.15, based primarily on a valuation of S$86.3m for parts of UIC Building still owned by the group.

However, Jones Lang Wootton, as independent valuers, earlier this month revalued the same parts of UIC Building, which is a prime commercial building located in Singapore's main financial district, at some 38 per cent higher, or S$117.2m.

The main factors which prompted the revaluation were the lack of available office space for immediate occupation, willingness of developers of new office projects to pay two to three times above land prices prevailing at the end of 1979, and the substantial cost increases in construction of new buildings.

TOYO KOGYO

Exports lead strong earnings gain

BY YOKO SHIBATA IN TOKYO

TOYO KOGYO, Japan's fourth largest motor vehicle maker, reported strong export-led earnings for the first half ended April of the fiscal year. In the full year ending October the company expects sales of Y1 trillion ($4.6bn) for the first time.

Toyo Kogyo said it hopes to increase its dividend payment for the year to about Y5 per share from Y4.50 paid last year.

Sales in South East Asia and Australia will be particularly strong through sales networks of Ford Motor follwing its 25 per cent capital participatin in Toyo Kogyo.

Toyo Kogyo's operating profits jumped 60.1 per cent to a record Y20.4bn, and net profits rose 56.4 per cent to Y10.1bn in the first half from a year earlier. Per share profits were 14.70 against Y12.54.

Sales rose to Y492.5bn, up 24.3 per cent. The company sold 575848 vehicles, up 21.3 per cent.

Of total sales, passenger cars accounted for 369,969 units, up 19 per cent, and commercial vehicles 205,879 units, up 25 per cent. Vehicle exports totalled 371,104 vehicles, up 29.1 per cent, of which passengers cars accounted for 259,204 units, up 21.8 per cent and commercial vehicles 111,900 units, up 49.7 per cent.

Exports by value rose 37.8 per cent to Y260.2bn or 53 per cent of total turnover.

North America accounted for 37.4 per cent of exports, Europe 25.2 per cent and South East Asia 11.8 per cent.

The yen's depreciation did not immediately effect export profitability but is expected to have a full effect in the second half of the fiscal year.

The company's financial position improved with a reduction of Y117.7bn in debt during the six months to Y214.3bn. Over the second half of the fiscal year Toyo Kogyo plans to manufacture 610,000 vehicles to bring the annual sales to 1.19m vehicles. Costs including materials and utilities are forecast to increase by Y10bn. However, these are expected to be covered by the yen's depreciation and strong sales of new models.

The company has also begun to supply manual transaxles for front-wheel drive cars to Ford from this spring. Increased shipments of these and automatic transaxles are expected to contribute sales gains in the second half.

As a result, the company's operating profits for the second half are expected to reach Y15bn on sales of Y538bn. The company envisages Y65bn of capital spending in the current fiscal year—45 per cent of it on new car development and 40 per cent on rationalisation and capacity expansion.

Toyo Kogyo will start construction of a Y45bn factory in Hofu at the end of this year to increase its production capacity 20 per cent by 1982.

Kanhym to control Karoo ME

BY JIM JONES IN JOHANNESBURG

KANHYM, the 52 per cent owned red meat and coal subsidiary of General Mining, is converting itself into one of South Africa's largest meat traders in a series of deals which will give it control of its competitor Karoo Meat Exchange.

The mechanics of the deal are that Karoo will first acquire the meat trading interests of its current parent, Asokor, in exchange for 3.15m of its own shares. Then in exchange for a further 7.88m shares it is acquiring Kanhym's meat trading operations. These moves will result in an increase in Karoo's issued capital from a current 12.3m shares to 23.4m shares.

Once this is completed, Kanhym is to buy a further 4m Karoo shares from Asokar for cash at a price of about R2 per share. This will increase its stake in Karoo to a controlling 51 per cent. To fund this purchase and future coal-mine developments in conjunction with British Petroleum, Kanhym plans to raise R22.2m ($28.7m) through a one-for-two rights issue, pitched at R7 a share.

The main attraction to Kanhym is that the deal provides a major expansion of its meat trading operations. At present, distribution of red meat from the company's feed lots is confined to the Transvaal and Natal. With Karoo's distribution network at Kanhym's disposal coverage will be nation-wide.

On the other side of the coin, Karoo will buy a greater proportion of its raw meat supplies from Kanhym, protecting it against a nationwide red meat shortage which is expected to develop later this year.

Compared with earnings per share of 64.3 cents in the year ended September 30, Kanhym projects per share earnings at a rate of 87.5 cents per annum on its increased capital during the 15-month accounting period to December 31, 1980, compared with 64.3 cents in the year to last September 30. Of this, about 4 cents is expected to be attributable to the newly acquired interest in Karoo.

Flat income for Otis Elevator SA

By Our Johannesburg Correspondent

OTIS ELEVATOR, the South African lift manufacturer which is 70 per cent-owned by United Technologies, of the U.S., has reported virtually unchanged earnings for the six months to May 31. First-half pre-tax profit rose to R3.91m ($5.1m) compared with R3.8m a year earlier. After-tax income was R2.23m against R2.16m.

Mr. Philip Sceales, chairman, warned that earnings were set for a downturn with the low level of construction contracts completed ruling out improved profits. Although construction activity is rising, Mr. Sceales warns that it will be a considerable time before this will be reflected in Otis' profits.

An unchanged interim dividend of 20 cents has been declared from first-half earnings per share of 13.1 cents against 12.7 cents a year earlier. In fiscal 1979, Otis declared a total dividend of 40 cents from earnings per share of 27.8 cents.

Bridgestone Singapore to close tyre factory

BY OUR SINGAPORE CORRESPONDENT

SINGAPORE'S only tyre manufacturer, Bridgestone Singapore Private Limited, is ceasing operations.

The company, which is a joint venture between Bridgestone of Japan and Pan Malaysia Rubber Industries, manufactures motor tyres, tubes and braided hoses at its plant in Singapore.

The company's announcement gave no explanation for the decision to shut down in August.

However, it is apparent that the Singapore Government's recent lifting of tariff protection for locally-made tyres has influenced the company's decision.

This together with the Government's aim to restrict the growth of cars has already prompted local car assemblers to cease operations.

Ford Motor Company has closed its assembly operations while Cycle and Carriage, which assembles Mercedes-Benz cars, is shutting down its plant.

The company has been complaining of declining profits over the past few years. Pre-tax profit was S$2.9m (US$1.4m) in 1979 compared with S$ 3.6m in 1978.

Ownership rules force Malaysian share issues

BY WONG SULONG IN KUALA LUMPUR

TWO COMPANIES quoted on the Kuala Lumpur Stock Exchange—Malaysian Plantations Berhad and Cold Storage Holdings—have announced plans for special issues of shares to the Bumiputras (indigenous Malays) to conform with Malaysia's New Economic Policy.

Malaysian Plantations will offer 9.2m shares of one ringgit at a price of 1.6 ringgit ($0.75) each. The new shares together with shares already held by Bumiputras, will bring the Bumiputra ownership to 16.8 per cent of the enlarged capital of 60m shares.

Cold Storage Holdings, will issue 8.75m shares, amounting to 35 per cent of the equity of its wholly-owned subsidiary, Cold Storage Malaysia (CSM), to Malaysians, of which 6.25m or 25 per cent would be for Bumiputras. The 1 ringgit par value shares are to be sold at 1.6 ringgit. After the issue, an application will be made for CSM shares to be quoted on the Kuala Lumpur exchange.

Meanwhile, the Malaysian authorities have said that special share issues to Bumiputras would not be allocated to Malay individuals, because of rampant abuse.

Dr. Mahathir, the deputy prime minister, said that in the past, many Malays had re-sold their shares on the market to make quick profits, thus defeating the Government's policy of encouraging Malays to have a larger ownership of the corporate sector. Special issues to Bumiputras are always priced well below market prices. Dr. Mahathir said Malay financial institutions will buy up future special share issues, and individual Malay investors can buy unit trusts set up for them.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amro Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposit on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	17.6.80	10.6.80	AVERAGE YIELD	17.6.80	10.6.80
DM Bonds	96.13	95.82	DM Bonds	8.344	8.389
HFL Bonds & Notes	93.51	93.64	HFL Bonds & Notes	8.735	8.695
U.S. $ Strt. Bonds	92.08	90.22	U.S. $ Strt. Bonds	10.517	10.892
Can. Dollar Bonds	92.32	91.34	Can. Dollar Bonds	11.242	11.468

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CURRENCIES, MONEY and GOLD

£ & $ easier

Sterling and the U.S. dollar both lost ground in currency markets yesterday in generally featureless trading. Most currencies traded within narrow spreads, with little to stimulate much movement in the market. Sterling's trade weighted index slipped to 73.4 from 73.5, having stood at 73.4 at noon and 73.5 in the morning. Against the dollar it opened at $2.3310-2.3320 and rose to $2.3325-2.3335 before slipping soon after lunch on small selling to $2.3270-2.3280. However it recovered to trade around $2.3300 for most of the afternoon and closed at $2.3325-$2.3335, a rise of 35 points.

The dollar was fairly steady but finished slightly lower on balance. Euro-dollar rates showed an easier tendency falling by around a quarter of a point. Against the D-mark the dollar closed at DM 1.7620 compared with DM 1.7680 on Tuesday and SwFr 1.6225 from SwFr 1.6310 in terms of the Swiss franc. The Japanese yen was also firmer, with the U.S. unit slipping to Y215.7 from Y216.0. The Canadian dollar showed a late improvement, rising to 87.01¼ U.S. cents from 86.78½. On Bank of England figures the U.S. dollar's trade weighted index fell from 83.4 to 83.3.

D-MARK — Slightly weaker within the European Monetary System just recently but showing a firmer tendency against the U.S. dollar following a sharp narrowing in Euro-currency interest rate differentials — There was no intervention by the Bundesbank yesterday when the dollar was fixed at DM 1.7636, virtually unchanged from Tuesday's fixing of DM 1.7635. Trading was generally uneventful with little in the way of fresh news to influence the market. Within the EMS the D-mark showed little change. The Belgian franc was quoted at DM 6.249 per BFr 100 from DM 6.244, while the French franc eased slightly to DM 42.94 from DM 42.965 per FFr 100. Outside the EMS, sterling fell to FFr 4.1110 from FFr 4.1240 and the Swiss franc was lower at DM 1.0864 compared with DM 1.0885.

BELGIAN FRANC — Remaining firm within the EMS despite easing of interest rates by Belgian authorities — The Belgian franc was generally firmer against most currencies at yesterday's fixing in Brussels, after key interest rates had been left unchanged by the National Bank. A reduction in Treasury bill rates earlier in the week had led to speculation that the authorities would cut the Belgian discount rate. The dollar fell to BFr 28.24 from BFr 28.36 and sterling was lower at BFr 65.795 compared with BFr 66.115. The Irish punt was higher at BFr 60.14 against BFr 60.05, but the D-mark fell to BFr 15.998 from BFr 16.017.

DUTCH GUILDER—Remaining firm within the EMS below the Irish punt and French franc —The Dutch guilder was firmer yesterday in Amsterdam, with the U.S. dollar easing to Fl 1.9320 from Fl 1.9420 and sterling lower at Fl 4.5030 compared with Fl 4.5300. The D-mark slipped to Fl 1.0953 from Fl 1.0965, while the Irish punt rose from Fl 4.1280 to Fl 4.1160.

JAPANESE YEN—Energy and balance of payments reflected in sharp decline last year. More recently lower U.S. interest rates have helped the yen recover—The dollar eased slightly against the yen in Tokyo yesterday, closing at Y215.875 compared with Y216.75 on Tuesday. It opened at Y215.60 and rose to a high of Y216.10. During the afternoon trading was very subdued, and the U.S. unit eased back a little.

THE DOLLAR SPOT AND FORWARD

June 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3270-2.3345	2.3325-2.3335	1.75-1.65c pm	8.74	4.47-4.37 pm	7.58
Ireland†	2.1280-2.1340	2.1320-2.1340	1.60-1.50c pm	8.72	4.55-4.45 pm	8.44
Canada	1.1510-1.1520	1.1517-1.1520	0.36-0.41c dis	−4.01	0.66-0.71dis	−2.38
Nethlnd.	1.9230-1.9330	1.9300-1.9315	0.30-0.40c dis	−2.17	0.76-0.86dis	−1.68
Belgium	28.16-28.26	28.16-28.18	15-17c dis	−9.81	38-39 dis	−5.32
Denmark	3.4686-3.4785	3.4710-3.4725	4.50-5.00ore dis	−10.42	13½-14 dis	−10.05
W. Ger.	1.7615-1.7670	1.7615-1.7625	0.08-0.18pf dis	−0.88	0.08-0.18dis	−0.29
Portugal	48.75-49.05	48.95-49.05	28-43c dis	−2.69	70-120 dis	−7.75
Spain	70.00-70.07	70.00-70.05	55-70c dis	−10.71	155-180 dis	−9.57
Italy	833.55-834.50	833.80-834.10	6½-7½lire dis	−10.07	20-21½ dis	−8.89
Norway	4.8485-4.8512	4.8500-4.8510	0.5orepm-0.45ds	−0.49	0.80-1.10dis	−0.70
France	4.1016-4.1125	4.1015-4.1035	1.37-1.47c dis	−4.16	3.67-3.87dis	−3.67
Sweden	4.1580-4.1690	4.1580-4.1590	1.90-2.05ore dis	−5.70	5.65-5.80dis	−5.31
Japan	213.20-213.90	216.65-213.75	0.25-0.80y dis	−4.03	1.05-1.20dis	−2.08
Austria	12.56-12.56½	12.55½-12.56½	2.70-3.30gro dis	−2.87	5.50-7.25dis	−2.0
Switz.	1.6210-1.6270	1.6220-1.6230	0.41-0.34c pm	2.77	1.48-1.41pm	3.56

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

June 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3270-2.3345	2.3325-2.3335	1.75-1.65c pm	8.74	4.47-4.37pm	7.58
Canada	2.6790-2.6860	2.6800-2.6810	1.13-1.03c pm	4.83	3.45-3.35pm	3.07
Nethlnd.	4.49-4.52½	4.49¾-4.50¾	2⅞-1⅞c pm	0.33	7-6 pm	3.77
Belgium	65.65-66.00	65.70-65.80	13-3c pm	1.46	43-33 pm	2.31
Denmark	12.73-12.78	12.76-12.77	1¼-3ore dis	−2.06	7-5¾ dis	−2.47
Ireland	1.0955-1.1065	1.1037-1.1047	0.06-0.03p pm	0.49	0.25-0.15 pm	0.72
W. Ger.	4.10-4.13	4.10½-4.11½	3⅞-2⅞pf pm	7.66	8-7 pm	7.29
Portugal	113.60-114.20	113.80-114.00	20c pm-25 dis	−2.26	55-70 dis	−2.10
Spain	163.10-163.45	163.35-163.45	5-55c dis	−2.20	30-100 dis	−1.59
Italy	1942-1947	1944¾-1945¾	1½-3½lira dis	−1.54	10¼-12¼dis	−2.31
Norway	11.28½-11.33½	11.30½-11.31½	8½-6⅞ore pm	6.09	20½-18½ pm	5.85
France	9.54½-9.62	9.56¾-9.57¾	4¼-3¼c pm	4.70	10¼-9¼ pm	4.08
Sweden	9.68-9.72½	9.69½-9.70½	2¾-2ore pm	2.84	5½-4½ pm	2.06
Japan	500-508	502¾-503¾	1.80-1.40y pm	3.81	2.70-6.30pm	5.17
Austria	29.20-29.35	29.28-29.33	15-12gro pm	3.53	43-37pm	5.46
Switz.	3.77½-3.79½	3.78¾-3.79¾	4-3c pm	11.09	11-10 pm	11.09

Belgian rate is for convertible francs. Financial franc 66.10-66.20. Six-month forward dollar 6.85-6.55c pm. 12-month 8.70-9.55c pm.

CURRENCY MOVEMENTS

June 18	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.4	−32.5
U.S. dollar	83.3	−10.4
Canadian dollar	81.5	−16.2
Austrian schilling	156.0	+24.1
Belgian franc	116.1	+14.6
Danish kroner	107.4	−4.1
Deutsche mark	165.0	+44.5
Swiss franc	198.6	+80.1
Guilder	125.7	+18.9
French franc	101.0	−5.7
Lira	63.3	−51.1
Yen	161.3	+28.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

June 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.560087	0.010469
U.S. $	11	1.32010	1.43066
Canadian $	11.29	1.52109	1.04433
Austria Sch.	3¾	16.6230	17.0288
Belgian F	14	37.4387	40.2723
Danish K	13	Unavail	7.78310
D'Mark	7½	Unavail	2.31428
Guilder	10	2.50373	2.70880
French Fr.	9½	0.44302	3.89314
Lira	10	1103.98	1188.03
Yen	0	280.079	307.301
Norwgn. Kr.	0	0.42258	0.88804
Spanish Pts.	8	92.8303	100.7521
Swedish Kr.	10	0.81200	0.02488
Swiss Fr.	3	2.16012	2.32202

OTHER CURRENCIES

June 18	£	$		£ Note Rates
Argentina Peso	4273-4296	1868-1845	Austria	2 2.00-29.30
Australia Dollar	2.0130-2.0170	0.8640-0.8645	Belgium	6 0.70-00.30
Brazil Cruzeiro	118.62-120.02	51.445-51.645	Denmark	1 2.70-12.80
Finland Markka	8.50-8.52	3.6393-3.6385	France	0.31-0.07
Greek Drachma	98.815-102.136	42.80-43.00	Germany	4.09-4.12
Hong Kong Dollar	11.45-11.47	4.9170-4.9190	Italy	1910-1965
Iran Rial	n/a	n.a.	Japan	501-506
Kuwait Dinar(KD)	0.618-0.622	0.2065-0.2666	Netherlands	4.48-4.51
Luxembourg Frc.	65.70-65.80	28.10-28.18	Norway	11.26-11.35
Malaysia Dollar	4.0760-4.9880	2.1360-2.1380	Portugal	111-115
New Zealand Dlr.	2.3526-2.3576	1.0095-1.0105	Spain	108¾-106½
Saudi Arab. Riyal	7.73-7.78	3.3285-3.3305	Sweden	9.06-9.74
Singapore Dollar	4.9300-4.9420	2.1160-2.1180	Switzerland	0.76-3.79
Sth. African Rand	1.8035-1.8045	0.7730-0.7735	United States	2.325-2.334
A.E. Dirham	8.60-8.06	3.7010-3.7020	Yugoslavia	62-65½

Rate given for Argentina is free rate

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.2224	+1.09	+0.33	±1.53
Danish Krone	7.72336	7.80374	+1.04	+0.28	±1.64
German D-Mark	2.48208	2.52321	+1.66	+0.90	±1.125
French Franc	5.84700	5.84996	+0.05	−0.71	±1.3567
Dutch Guilder	2.74362	2.75382	+0.37	−0.39	±1.512
Irish Punt	0.668201	0.668337	+0.02	−0.74	±1.668
Italian Lira	1157.79	1188.08	+2.62	+2.37	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 18	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.333	4.113	503.6	0.568	3.788	4.503	1945.	2.681	65.75
U.S. Dollar	0.429	1.	1.763	216.7	4.101	1.623	1.930	833.8	1.149	28.18
Deutschemark	0.243	0.567	1.	122.4	2.626	0.921	1.095	473.0	0.002	15.80
Japanese Yen 1,000	1.987	4.636	8.173	1000.	19.01	7.526	8.947	3865.	5.326	130.7
French Franc 10	1.046	2.438	4.298	920.0	10.	3.959	4.700	2033.	2.802	68.72
Swiss Franc	0.064	0.618	1.086	132.9	2.526	1.	1.189	513.6	0.708	17.36
Dutch Guilder	0.222	0.612	0.913	111.8	2.126	0.841	1.	432.0	0.595	14.60
Italian Lira, 1,000	0.014	1.199	2.114	258.7	4.918	1.947	2.315	1000.	1.378	33.80
Canadian Dollar	0.373	0.870	1.534	187.7	3.568	1.413	1.680	725.7	1.	24.53
Belgian Franc 100	1.521	3.548	6.955	765.4	14.55	6.760	6.848	2959.	4.077	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 18)

3 month U.S. dollars		6 month U.S. dollars	
bid 8 7/8	offer 9	bid 9 1/8	offer 9 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lire	Asian $	Japanese Yen
Short term	17-17¼	8¾-9	8-10	11-11¼	4¼-4¾	9 1/16-9 3/16	12½-12⅞	17-20	9-9¼	13½-14
7 days' notice	17½-17⅞	8¾-9	9-10	11-11¼	4-4½	9 1/16-9 3/16	12¼-12⅞	15¼-18¼	9⅛-9⅝	13-13½
Month	10⅞-17⅛	8 7/16-9 5/16	12½-12⅞	10½-10¾	5 7/16-5 9/16	9 5/16-9 7/16	12 5/16-12 9/16	17¼-10¼	8⅛-8⅝	12⅞-13
Three months	16⅜-16⅝	8 13/16-9 3/16	11⅝-11¾	10⅜-10⅝	5 5/16-5 11/16	9 5/16-9 7/16	12 9/16-12 13/16	18-18	8 13/16-8 15/16	11 1/16-11½
Six months	15 1/16-15 5/16	8 11/16-9 3/16	10½-10⅞	10¼-10½	3½-5⅝	8 11/16-8 15/16	12 9/16-12 13/16	18-10	8 13/16-9 1/16	10½-10¼
One Year	13 13/16-14 1/16	8 13/16-9 3/16	10¼-10⅝	10-10¼	4 11/16-5 1/16	8⅛-8¼	12 7/16-12 11/16	18½-19½	8 13/16-8 15/16	8-9⅛

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.55-9.65 per cent; three-months 8.60-9.70 per cent; six-months 8.55-8.65 per cent; one year 8.60-9.70 per cent.

Long-term Eurodollar two years 10-10¼ per cent; three years 10¼-10½ per cent; four years 10¼-10½ per cent; five years 10½-10¾ per cent; nominal closing rate. Short-term rates are call for sterling U.S. dollars. Canadian dollars and Japanese Yen, others two-days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgians cautious

The Belgian National Bank left its key lending rates unchanged yesterday, despite cuts in Treasury certificate rates on Monday and Tuesday. The discount rate remains at 14 per cent, with Lombard and "B" quota rates at 14½ per cent, while the special advances rate stays at 15½ per cent.

Central bank policy favours caution at present for fear of introducing too narrow a differential between Belgian and German rates, possibly leading to further pressure on the Belgian franc.

In Amsterdam subscriptions close today for an offer of 2½ year Treasury bills. This will help fund Government spending commitments in the near future. Recent disbursements have been financed by overdraft from the Dutch National Bank, since the Treasury's central bank balance has been reduced to zero.

Special advances to the Treasury totalled Fl 30.8m last week, compared with a Treasury balance of Fl 40m the previous week. The bill tender is expected to produce about Fl 600m and may lead to some tightening of call money, but no overall problems for money market liquidity. Deposit rates are unlikely to change significantly in the coming week. Period rates were steady at 10½-11 per cent yesterday, with call money unchanged at 11-11½ per cent.

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in adequate supply overall in the London money market yesterday, on the last banking make up day on which the corset controls will operate. A small surplus was expected, with discount houses picking up early money at 13-14 per cent. Conditions were very tight towards the close however, with secured call money commanding 16-17 per cent, and overnight interbank funds 25 per cent, but the authorities did not intervene.

Banks brought forward small run down balances, repayment was made of the small amount borrowed on Monday, and there was a small net take-up of Treasury bills to finance. On the other hand Government disbursements were moderately in excess of revenue payments to the Exchequer.

GOLD

Firmer trend

Gold rose $13 an ounce in the London bullion market yesterday to $603-606. Trading was generally quiet, but the metal saw a fair range during the day, between a low of $557-559 and a high of $604-606. The metal was firmer towards the close and was quoted in later trading in New York at $606-608. The late rise may have been a reflection of the possible witholding of about one million ounces of gold production by South Africa, in order to support the gold price.

In Paris the 12½ kilo bar was fixed at FFr 79,950 per kilo ($605.40 per ounce) compared with FFr 79,900 ($604.84) in the morning and FFr 79,950 ($603.12) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,185 per kilo ($602.98 per ounce) against DM 33,975 ($600.03) previously.

	June 18		June 17	
Gold Bullion (fine ounce)				
Close	$603-600	(£258½-260)	$590-593	(£253¼-254¾)
Opening	$597-600	(£255¾-257¼)	$588-591	(£252¼-253¾)
Morning fixing	$602.50	(£258.163)	$590.75	(£255.100)
Afternoon fixing	$602.50	(£258.528)	$591.75	(£254.210)
Gold Coins				
Krugerrand	$624-627	(£267½-269½)	$610-613	(£261½-263½)
Mapleleaf	$624-627	(£267½-269½)	$610-613	(£261½-263½)
New Sovereigns	$153-154	(£65½-66½)	$150-151	(£64¼-60½)
King Sovs	$179-181	(£70½-77½)	$176-178	(£75½-79½)
Victoria Sovs	$179-181	(£76½-77½)	$176-178	(£76½-70½)
French 20s	$156½-159½		$154-197	
50 pesos Mexico	$744-749		$732-737	
100 Cor. Austria	$592-597		$582-586	
$20 Eagles	$698-701		$690-695	
$10 Eagles	—		—	
$5 Eagles	—		—	

MONEY RATES

NEW YORK

Prime Rate	12-12½
Fed. Funds	8¾-9
Treasury Bills (13-week)	6.94
Treasury Bills (26-week)	6.96

GERMANY

Discount Rate	7.5
Overnight Rate	10.075
One month	0.925
Three months	10.025
Six months	9.50

FRANCE

Discount Rate	9.5
Overnight Rate	12.875
One month	12.4375
Three months	12.4375
Six months	12.0625

JAPAN

Discount Rate	9.0
Call (Unconditional)	12.4375
Bills Discount (three-month)	13.5625

LONDON MONEY RATES

June 18 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Over night	—	14½-20	—	—	—	—	13-17	—	—	—
2 days notice	—	—	17-17½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16½-17½	17-17½	—	17⅝	17½-17¾	18-10½	—	—	—
One month	17⅛-18⅞	10½-17⅛	17-17⅝	18-18¼	17⅝	17⅝-17½	10½-10⅝	15⅛	17-17⅛	17¾
Two months	16⅛-16⅛	18¾-16⅛	—	17¼-17⅝	17⅛	—	10¼-10⅜	15⅝	10½	17¼
Three months	16⅛-12¼	16⅝-16⅝	16⅝-16⅝	18¾-17⅛	17	17	16-16⅛	15⅛-18¾	10⅞	15½
Six months	15-14⅞	15-16¼	15⅛-16¼	16-15½	15⅜	15⅞	—	—	14⅞-14¼	15¼
Nine months	13⅛-13⅛	14⅛-14⅛	—	14⅛-15	14⅜	14⅞	—	—	—	—
One Year	13⅝-13⅛	13¾-14	13⅛-14¼	14-14¼	14⅛	14½	—	—	—	—
Two years	—	—	16⅞-14⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-14¼ per cent; four years 13¾-14 per cent; five years 13¾-14 per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15¾-15⅞ per cent; four-month trade bills 16 per cent.

Approximate selling rate for one-month Treasury bills 15 7/16 per cent; two-months 15⅜ per cent; three months 15 5/16-15⅜ per cent. Approximate selling rates for one-month bank bills 15 11/16-16⅞ per cent; two-month 16 3/16-15⅝ per cent; three-months 15¾-15 11/16 per cent; one-month trade bills 17½ per cent; two-months 17 per cent; and three-months 16¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17½ per cent from June 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8340 per cent.

WORLD STOCK MARKETS

Dow 2.48 down at mid-session

AT MID-SESSION, prices were lower but above the morning's lowest, in active trading on profit-taking and some caution about what would happen to interest rates. Analysts said the market was due to weaken after the two-month rally resulting from sharply dropping interest rates, and thought the rates would now level off.

The Dow Jones Industrial Average was 2.48 down at 876.79. The NYSE All Common Index was 24c off at $66.01. Declines led advances eight to five on volume of 29.4m shares (28.8m).

Among other factors cited by analysts as influencing morning trading were doubts about the Administration's ability to balance the 1981 Budget and signs that it might be considering tax cuts.

Among interest rate-sensitive issues, volume leader Household Finance eased ¼ to $17¼. BankAmerica ⅛ to $26⅛, Citicorp ⅜ to $21⅞, Continental Illinois ¼ to $29¼ and Texas Utilities ⅛ to $18⅛.

American Telephone, which slipped this week after a court ordered it to pay $1.8bn to MCI Communications in an anti-trust suit, reported flat earnings for the three months to May 31. It shed a further ⅛ to $53⅛.

Kerr-McGee declined $2 to $74. A block of 250,000 shares traded at $73. Kerr McGee has been the subject of recurring takeover speculation in recent weeks.

Southland Royalty rose $5¼ to $99⅛ after a $19¼ jump on Tuesday. It will distribute shares of two new Royalty trusts to shareholders, giving corporate holders a tax benefit.

Precious Metal issues firmed on higher bullion prices. Dome Mines added $1¼ at $31¼, Homestake Mining ⅞ at $59⅞, Campbell Redlake $1⅛ at $43⅜ and Hecla ¼ at $34⅞.

THE AMERICAN SE Market Value Index was 1.01 off at 287.89 on volume of 3.15m (3.27m). Oils were mixed, and Electro Audio Dynamics was the mornings best performer, rising 16 per cent.

Closing prices for North America were not available for this edition.

Canada

The market at noon was broadly lower in active trading. The Toronto Composite Index retreated 8.6 to 2,039.6, and losses led gains 185 to 163. The Gold Index rose 22.7 to 3,751.7, but Metals and Minerals declined 16.9 to 1,875.9 and Oil and Gas 23.3 to 4,586.8.

Oils were active and marginally lower. Gulf Canada at C$32½ and Hudson's Bay Oil at C$32½ each eased ½, while Dome Petroleum lost ⅜ to C$81. Imperial Oil "A" slipped ¼ to C$42⅜ as did Texaco Canada to C$44¾.

Husky Oil, again the most active industrial issue, rose ½ to C$17⅝.

Volume was 2.73m shares (3.12m).

Germany

Profit-taking took prices down from the high points reached on Monday before the national holiday on Tuesday, and after modest trading the Commerzbank Index closed 2 points down at 724.1. However, higher bond market prices were seen as indicating an underlying buoyancy in the securities market.

AEG gained DM 1.50 to DM 75.60, trading actively before today's shareholders' meeting, while Siemens, in high demand at the opening, shed its early gains to close 70 pfennigs down.

In Chemicals, BASF shed 60 pfennigs to DM 147.40 and Bayer DM 1.50 to DM 127.3, but against the trend Hoechst put on 90 pfennigs to DM 119.

Paris

Prices closed weaker in what dealers described as extremely quiet and featureless trading. Dealing was subdued in depressed sentiment attributed to the approaching end of the accounting period and the announcement late on Tuesday of a record French trade deficit for May.

Banks, Insurance, Real Estate and Investments were mixed but other sectors eased on the day. Carrefour shed FFr 20 to FFr 1,810 and BSN Gervais FFr 16 to FFr 979.

Among foreign shares, Canadians and Gold Mines edged higher while Oils, Germans and U.S. stocks retreated and Dutch were mixed.

Tokyo

Toky—Share prices closed higher with fresh buying interest in Blue Chips and Electric Appliances, although trading was light in anticipation of the general elections, to be held on Sunday.

The Nikki-Dow Jones Market Average rose 26.45 to close at 6,824.95 on volume of 210m. The Tokyo SE Index added 1.73 at 468.67.

Sony put on Y80 to Y2,190 on buying by foreign investors, and Toyo Koggo rose Y33 to Y425 following interim results. Victor also rose Y80, to Y1,650, on institutional buying.

Hong Kong

The market closed mixed after hectic afternoon profit-taking erased early morning gains which saw the Hang Seng Index touch a seven-year high.

The index closed 2.12 points up at 983.24, the highest close of the year but lower than the 990.19 reached at mid-morning.

Among market leaders, Hong Kong Wharf rose HK$4.50 to HK$74, and Hong Kong Land 10c to HK$12.30, but Cheung Kong fell 20c to HK$14.50, and Swire Pacific "A" held steady on HK$7.90.

Hong Kong Electric retreated 15c to HK$8.15, while Hong Kong Shanghai Bank held steady at HK$15.70, Hutchison Whampoa at HK$8.80, and Jardine Matheson at HK$15.60.

Elsewhere, Cross Harbour eased 30c to HK$12, Hong Kong Telephone 20c to HK$25.40, Hopewell 10c to HK$11.30 and New World Developments 3c to HK$4.32.

China Light was unchanged at HK$21.50, Hong Kong Hotels at HK$33.50, and Sun Hung Kai Properties at HK$10.60, while Green Island Cement rose HK$1.50 to HK$50 and World International 43c to HK$3.56.

Australia

Stocks closed weaker with profit-taking in leading resource issues. Volume fell away considerably as overseas interest flagged.

Commodity analysts were bullish about gold, but some Golds leaders were nonetheless among stocks to ease. Both Central Norseman and GMK lost 30c, and other stocks shed smaller amounts.

In Coppers, MIM and Bougainville fell back. BH South and North BH were in the major losers in Silver/Leads, and in Tins both Renison and Aberfoyle came under pressure.

Conventional Oils were generally easier despite news of a promising gas flow in Queensland's Surat Basin for Hartogen, which fell 15c to A$4.10. There were also indications the the persistent selling in Santos is drying up. News of a A$5.4m development programme for the Cooper Basin helped shares move off their low to close steady at A$13. Woodside shed 12c to A$3.06.

In Minings, BH Metals rose 14c to A$1.46 on rumours that it was about to announce a new coal project near Newcastle.

BHP, which had sold on Tuesday at a year's high of A$15.15, weakened on losing overseas support and finished 40c down at A$14.55.

Johannesburg

Gold shares held earlier gains made on the higher gold price, and closed near the day's highest prices after moderately active trading.

Coppers and Platinums were little changed, while Industrials traded mixed to higher, although sentiment remained nervous because of racial unrest in the country.

NEW YORK

Indices

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SWEDEN

SOUTH AFRICA

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NEW YORK ACTIVE STOCKS

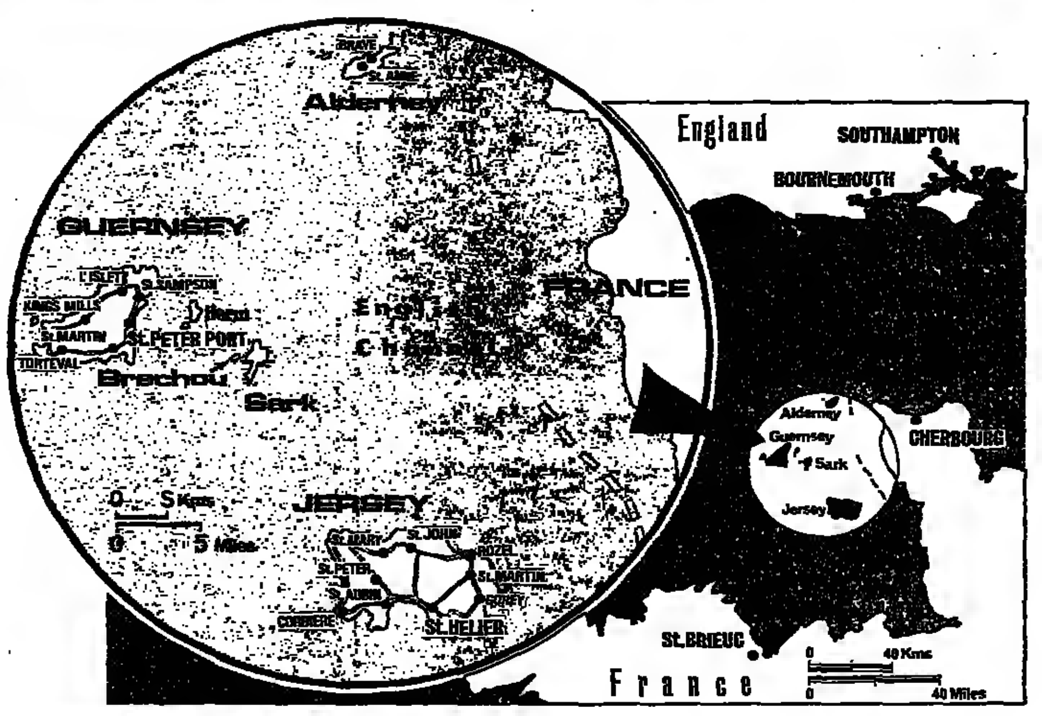
Spanish prices, Page 20

FINANCIAL TIMES SURVEY

Thursday June 19 1980

The Channel Islands

The end of exchange control regulations has left Channel Islanders wondering if sterling flowing to Jersey and Guernsey will be diverted elsewhere. So far, there is no clear answer, but the authorities are looking for ways to diversify the economy so the islands do not become over-dependent on the financial sector, which can be heavily affected by outside influences.



Keeping an eye on London

By Anthony Moreton, Regional Affairs Editor

EVER SINCE Mrs. Thatcher moved into 10 Downing Street, 13 months ago, those concerned with tha economic affairs of the Channel Islands hava kept their eyes on Whitehall with not a little apprehension.

Although the UK Government has no control over the islands —constitutionally, they owe allegiance only to the Queen— a Conservative administration dedicated to reducing the level of taxation and increasing incentives could have an important effect on the well being of Jersey and Guernsey.

Both have prospered in the last two decades, a prosperity based in no small measure on their ability to offer an alternative to life in Britain. The tax advantages of living in the Channel Islands are most attractive: direct tax is levied at the single rate of 20p in the £ and there are no capital taxes of any kind. Distributed profits pay 20p in the pound but undistributed profits are not taxed at all.

As a result of these favourable rates the islands have attracted a large number of wealthy individuals —and a greater number of companies who have contributed very substantially to the economy. Today it is estimated that the wealthy account for 28 per cent of Jersey's national income and companies another 25 per cent. Guernsey does not show its accounts in quite the same way but the financial sector accounts for about a quarter of its income.

To get into Jersey, a wealthy applicant has to convince the Government that he is economically and socially acceptable. There is no definition of either category, but it is certain that the individual would have to be able o pay at least £15,000 a year in ax — which means he must bave a *gross* income of £75,000 —and be able to buy a bouse in the £200,000 range.

The islands knew that a Conservative Government would cut direct taxation in Britain and bad almost discounted it. But they were as surprised as anyone else wben Sir Geoffrey Howe, Chancellor of the Exchequer, suddenly ended all exchange control regulations.

With sterling free to move anywbere, would there be a drain ont of the islands? Would money which might bave gone to Jersey of Gnernsey go elsewhere? In the elgbt months since Sir Geoffrey acted, no clear answers have emerged. The islands do not think they have been affected, but they *admit it is too soon to say for certain.*

They think tbat tbe British move *might* have enhanced their financial standing and strength since the growth of non-sterling deposits appears to have continued unabated. One of the significant factors of the last four or five years has been the way in wbicb the islands are dealing much more now in international finance rather than merely sterling.

In Jersey, for instance, total deposits in January amounted to £6.17bn of which only £1.6bn, or 26.7 per cent, was in aterling. Eigbteen months earlier, deposits ware £3.5bn with *sterling* liabilities *about* the same as now.

Although much of the attention bas gone to *the wealthy* immigrants, tha islands have become important financial centres. Last year 2,000 companies were registered in Jersey compared with 1,765 in 1978 and only 1,256 in 1975. Of the total last year, 1,008 were overseas trading companies, compared with 404 in 1975.

Non-sterling

In Guernsey, 898 companies were *registered,* nnly one fewer than the record total in 1977 aod over double the total in 1972. This brought the total companies registered at the end of the year to a record 6,162, a rise of 636 during the year. Two thirds of those registered last year were outside the sterling area.

All the indications are that this *inflow is continuing* unabated and that 1980 sbould see a new record total of registrations. By the end of April the figure was 80 higher than a year earlier so that the year-end result should be well over 950.

Both islands bave seen big advances made in business transacted in trust administration and overall corporate management on bebalf of overseas clients and It is these developments which lead one to believe that the ending of UK exchange controls will actually belp them.

For instance, in *Gnernsey* there has been further development in the field of fund management and the Royal Bank of Canada is making the island its centre for its fund management business outside Canada.

Jersey now bas 33 deposit-taking institutions, a figure which is probably near wbat it considers manageable. No formal applications from banks to open on the island are in the pipeline and Jersey would probably *want* any *newcomer* to show that it could offer new services before authorising it in future.

This must belp Guernsey, wbicb bas not been inundated to the same extent by banks and to wbich the latter may well turn if they find no room on the larger island. One important development that has taken place In Guernsey *is* the opening of the first branch of an overseas bank—by the American Manufacturers Hanover Trust. The bank already bas a subsidiary on the island but It bas set up a branch, not directly controlled by the subsidiary, to deal specifically in tbe Eurocurrency loan business.

Banks *such as* Citibank and Bank of America operate in this way in the U.S. but this is the first time it bas been done in the Channel Islands, though the indications are that Manufacturers Hanover Trust *will* be followed by others before long.

The development of captive *insurance business has also* continued apace on Guernsey (it is not allowed by law on Jersey). *Among those* wbo bave been making inquiries has been the Confederation of British Industry, looking for a base to operate a scheme, under which British companies can insure against strikes.

The island intends to tighten the regulations *concerning* captives this year even though sucb captives *have* no public involvement. *The* Government will no longer permit any insurance eompany to be incorporated with corporation tax status—that is where management and control would be situated outside the jurisdiction of the island.

Legislation is also to be introduced to require all insurers to register. At the moment the Island is not sure bow many insurance companies tbere are —or, Indeed, wbo they are since some may be hiding behind names which give no clue to their business. Such supervision is expected to be formalised during tbe autumn.

The other active area is in the reform of company legislation. No one could accuse the islands *of undue haste in this matter.* Jersey has bad a report before it for some years and quite obviously finds the suggestions, which would codify the law in a way acceptable to modern practice, with some distaste.

The Island does not seek to attract, or offer a refuge to, the dubious company. Its general rules are strict and it maintains close touch (as does Guernsey) *with the Bank of* England. But there is a distaste of acting swiftly and instead of a major overhaul of its century-old commercial law the most that cao be expected—and this probably some time next year—is some movement on trust law. "Things are moving down the pipeline and could lead to a 'document' within the *next year,*" I was told.

Guernsey, wbicb has a different legal system from that in Jersey, is also moving down the same pipeline. Although its company law dates from 1908 and is admitted to be archaic, only piecemeal changes will be made. One area where there sbould be changes is in the question of preferential payments in questions of insolvency. At the moment employees' salaries and wages enjoy no prefarence, a state that will be changed under the new legislation.

Economic growth depends to a considerable extent on population growth. There are fears that too rapid a rise in population will lead to undue strains, especially in Jersey. Late last year, Jersey decided to tighten the screw and allow a net rise of just over 400 people a year.

Since then, with the downturn in the world's economy, the growth will probably be rather smaller than tbis and the island will be able to contain population growth without having to take restrictive meas*ures itself.*

But without a rising population, can the islands diversify their economies sufficiently to prevent the financial sector becoming over-dominaot? The otber two main industries, horticulture and tourism, are *feeling the effects of the strong* pound, so the islands need light industry or some other form of employment generator. If population growth is restricted, where will growth come from?

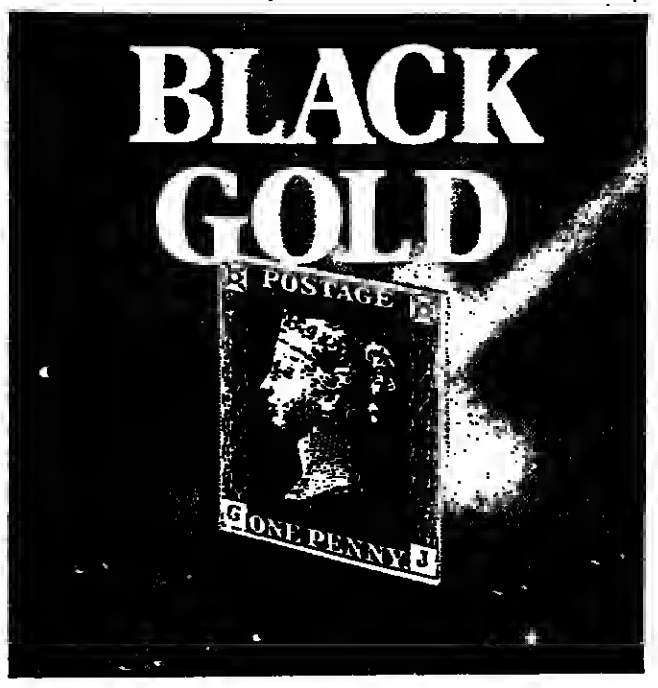
This is the conuudrum which faces both islands. And neither has come up wilh a complete solution. Until they do there is always a daoger, however slight, that the islands will become over-dependent on a sector that cao be heavily affected by outside influences.

CONTENTS

JERSEY COMPANY REGISTRATIONS

	1975	1976	1977	1978	1979
Public investment trusts; merchant *banks; and financial concerns*	24	48	74	51	46
Private investment companies	567	630	707	654	656
Overseas trading companies	404	484	630	759	1,008
Local trading companies and others	261	375	358	301	301
	1,256	1,537	1,769	1,765	2,020

Source: Jersey Commercial Relations Department.



Legislation will cut flow of settlers

JERSEY and Guernsey have been taking a fresh look at a perennial problem—how to avoid becoming overcrowded.

As a result, both islands are tightening existing legislation to reduce the inflow of settlers—in Jersey's case to a maximum of 250 a year in all categories, from rich tax exiles to non-essential workers.

The two larger Channel Isles have used control of housing occupation for many years to defend themselves against an invasion from the British mainland.

Broadly, everyone without residential qualifications through birth or length of domicile, or a combination of both, now has to have a permit to occupy any accommodation. Exceptions are paying residents in hotels, guest houses or—in Jersey only—registered lodging houses. In addition, Guernsey has a pool of higher-priced properties available to wealthy settlers.

In 1973, Jersey introduced a powerful new tool to control imigration, the Regulation of Undertakings and Development Law, which restricts business expansion and the demand for new employees.

Many UK citizens who are aware of these entry barriers resent them because there is no restriction on Channel Islanders wanting to make their homes in Great Britain.

But successive British governments, Tory and Labour, have never seriously questioned that these self-governing dependencies of the Crown must, to survive, limit population as they think fit.

The EEC, with which the Channel Islands, like the Isle of Man, have a special relationship, also recognises the strength of their case. The only proviso made by the Community is that immigration restrictions must apply equally to all EEC nationals.

Jersey and Guernsey, reassessing their position in the face of an overcrowded outlook for the 1980s, have been careful to prune legislation so that it does not favour settlers from the UK.

Guernsey's new housing law, which comes into force next Jannary for 10 years, makes no concession for the Guernsey-born, such as ex-servicemen, who want to return after many years' absence. Jersey takes the view that "once a Jerseyman always a Jerseyman," and freely welcomes hack the wandering native.

The larger island's Housing Committee adopts a harder line towards illegal occupants, and last year it created the post of law enforcement officer to investigate suspected cases. These are said to be running currently at 100 at least.

Fewer permits

Following a recent report on immigration hy the Policy Advisory Committee, Jersey is redncing the number of housing permits issued to essential workers, and limiting husiness expansion even by local residents. From Jannary, the housing authority will also abolish the concession that automatically allows newcomers to lease property after 10 years' residence.

The PAC's report was drawn up because of growing dismay that, with a population today of 76,000 in 45 square miles, Jersey's official target of not more than 80,000 by 1995 looked hopelessly unattainable. The measures adopted were designed to cut the present 420 a year net rate of immigration to less than half. But it is now felt that economic circumstances will keep the rate of immigration down to this level without the island having to take positive action.

New restrictions on the quota of wealthy settlers—now around 10 a year instead of 15 have also been adopted.

The wealthy settlers, or "K" residents (they are known as such because of the section of the housing regulations that applies to them), are only allowed to buy properties in the most expensive range. Using housing to control immigration is frequently deplored by Channel Islanders and newcomers alike as unjust, confusing, divisive, and difficult to enforce. Jersey considers that the alternative of actual frontier harriers would be too costly, and would be psychologically damaging or worse in relationship to the UK.

But Guernsey's Parliament has just set up a special committee to study the possibility of a different form of immigration control—mainly under pressure from local MPs seeking better protection for native islanders.

MPs also persuaded the housing authority that some form of clarification of Guernsey's complex laws should be prepared. Withont being legally hinding, it should spell out for newcomers what their position is likely to be.

Jersey recently issued a simplified leaflet along these lines, which may have helped to overcome the Guernsey housing authority's reluctance. It has always held that it is up to immigrants to find out their situation before coming to the island, an attitude that has earned it a *lot of criticism*—particularly from "licence holders" such as teachers and hank staff.

The dilemma for Guernsey and Jersey is that they must keep their economies flexihle, and halance expansion against pressures on the environment and the islands' limited resources.

With the important addition of the Regulation of Undertakings and Development Law, Jersey is able to put a brake on the number of newcomers when necessary.

For Gnernsey, where about two-thirds of the population is indigenous, precise control is more difficult. With 54,000 packed into 25 square miles, the island is one of the most densely populated in Europe, and the housing authority is committed to keeping growth at not more than 7 per cent over a 10-year period ending by 1985.

In 1978 and 1979, it allocated for 90 new housing licences a year, to cover not only non-islanders but also "hardship" cases in residence, and returning ex-Servicemen.

Guernsey has a two-tier housing market, and immigrants can only occupy lower-priced local market housing under licence. A pool of some 1,400 "open market" houses is available to settlers who can afford the prices.

These wealthy newcomers will never be allowed to live in local housing, but hy next year, under the new law, their children will—after they have lived in the island for 20 years consecutively.

For the first time, the 1981 law defines who is a Guernsey citizen. He or she is someone born in the island while one or both parents are resident, and who has lived there for 10 years during any 20-year period, or the child of such a person who has served the same residential term.

Nationalist-minded islanders have found it shocking that children born of wealthy settlers will have the same rights of citizenship as their own children.

Trying to be fair

But the housing authority has tried to be fair in the new law to people already settled in the island, while restricting new immigrants. Maximum penalty for illegal occupancy will go up from £500 to £5,000.

Jersey and Guernsey have enabling legislation for introdnction of work permits, although it is felt that their usefulness is to protect local jobs when there is low employment, rather than as aids to immigration control.

Alderney's work permit system is already in operation. Recently, legislation had to be hastily amended when it was realised that many day visitors on business would require one.

With a population of 2,000, drawn mainly from the UK, in an area 3½ miles long by 1½ miles wide, Alderney has its problems. As yet, there are no housing restrictions. Because many young people are finding it impossible to find accommodation they can afford, some form of housing control could be introduced before long.

Sark, roughly the same size as Alderney, has maintained its population at around 550 for well over a century without any controls. Under its link with the English Crown, which goes back to Elizabeth I, only British subjects can buy freehold property there.

Willa Murray

Honorary policemen uphold the law

THE VISITOR to Jersey can come and go without realising that the British-style blue-uniformed hobbies he sees on patrol are not the island's only law-enforcement agency.

If he commits an offence, however, he *will probably meet* another, more sheriff-like kind of policemen—someone who drives up in his own car and is *identifiable* as the law only hy a hadge and an armband.

A farmer, shopkeeper or taxi-driver perhaps, the investigating officer will be doing his turn of duty as an elected member of one of the island's 12 unpaid parish police forces.

He must be taken seriously despite his workaday appearance; in fact, Jersey's honorary police still have more power in some directions than the 160-strong uniformed States police. They can hold their own inquiry at the parish hall, caution or fine if it is a minor offence, act as prosecutor *if it is* a police court matter.

Jersey has clung to this institution in the face of outside censure and ridicule, periodic protests from the island's professional police, and—one suspects—misgivings at the Home Office. Earlier this month local MPs actually voted to increase the powers of the *centeniers*, the chief parish police officers under the *connétables*.

The office of *centenier* (originally someone responsible for for a 100 families) has been traced back to 1502 and no doubt existed earlier. The first paid *agents de police* appeared in 1845 and were taken on to help the parish police keep order at *nights in* St. Helier.

It was not until 1952 that Jersey had a professional police force on mainland lines and even then its anthority was largely confined to the town of St. Helier.

The powers of the States police were considerably widened in 1974, following a forthright report by H. M. Inspector of Constabulary, Mr. R. G. Fenwick, who inspected Jersey's professional force in 1971 at a time when morale was at low ebb.

Mr. Fenwick concluded that the restrictions placed on the States police by their subordinate role "clearly hinder full use being made of their capability, and have caused frustration, distortion and dissipation of effort and are the root cause of many internal troubles now besetting the force."

Not accepted

Jersey's Defence Committee—and subsequently the island parliament—did not accept Mr. *Fenwick's* recommendation that the police functions of the parish officials should be "allowed to lapse."

But the 1974 Act gave the *uniformed police the right to* patrol the whole island and made it a legal requirement for the honoraries to keep the professionals informed of what they were doing and to call them in for prescribed offences.

Two of the parish police's privileges were left intact: the exclusive right to make formal arrests and to charge and bail, and the unusual right of search without a warrant for stolen property. However, the States police can now appeal to the Crown Officers where they feel that a parish constable has wrongly failed to prosecute.

Jersey's attachment to the parish police system is based partly on tradition, partly on the practical argument that honorary service helps to keep this small, independent community solvent, and partly on the belief that it is often a more sympathetic method of law enforcement.

This last point has perhaps gained weight at a time when police forces elsewhere are frequently accused of being too divorced from the community.

Jersey's 300 or so honorary police may be untrained in professional eyes, but they are mostly people who have grown up in the parish, know everyone's background and tend to interpret the keeping of law and order as much from a social as from a strictly policing standpoint.

Undoubtedly many cases of domestic and neighbourly dispute that would end up in court in England are settled by parochial commonsense in Jersey.

During his turn of duty the honorary policeman is usually on 24-hour call by "bleeper," and in an island that now has over 750,000 visitors annually, and a rising rate of drunkenness, hooliganism and other crime, it is becoming more difficult to find people with the time to do the job.

Among the criticisms of the honorary police system have been that it leads to laxity, with offenders too often let off with a caution; to inconsistency in imposing fines and settting bail; and to failure at times (one of the professional police's main complaints) to investigate cases properly.

To some extent these criticisms have been met by the closer liaison now established between the two forces and by a systemisation of the honorary police's operations under the control of the Attorney-General.

Even so, the Jersey Police Association, representing the uniformed force, recently reiterated its view that the time had come to consider relieving the parish officials of their police functions. For better or worse, Jersey's politicians seem unlikely to heed that view in the foreseeable future.

Edward Owen

PROFILE: REDITRONICS

Branches on the electronic grapevine

A FEW months ago a 12-strong party representing some of Japan's leading music companies flew to Jersey to look round a factory tucked away in a residential suburb of St. Helier.

For their hosts, Rediffusion Reditronics — a financially self-accounting local offshoot of the Rediffusion empire—the visit meant that the company's background music equipment, already exported to nearly 60 countries, was now gaining a foothold in the most competitive of electronics markets.

This Jersey-based company was the first to develop a successful continuous - playback machine for taped music and for the past 21 years has been supplying all the equipment for the world-wide Rediffusion Reditune service. Its current best-seller provides a two-hour stereo or four-hour mono repeat cycle of music from a cartridge tape that lasts for years.

The company was originally set up under the name of Television Research in 1951 to study long-distance TV reception for the Rediffusion group, which had introduced wired radio distribution to the island a year previously.

Among Television Research's early achievements was to bring the 1953 Coronation to local screens from a TV transmitter 180 miles away. Over the following 25 years about half-a-million homes in Britain were supplied with cable TV through its Jersey-made equipment.

Lately this source of business has fallen off, and the company's change of name to Reditronics in 1976 marked the beginning of a search for independent markets.

It has emerged from a difficult phase as a versatile and creative manufacturing unit that makes over 180 products and sees its role essentially as solving customers' problems in the public address, communication, audio and audi-visual field.

All the sound equipment at Jersey airport, for example, was designed by Reditronics, including a sophisticated noise-sensing control system that adjusts the strength of announcements to the general volume of noise.

Director and general manager, Mr. Gordon Reed, who joined the company in 1952 from the Harwell Atomic Research Establishment, thinks that Reditronics' 50,000 sq. ft. factory at La Pouquelaye can now claim to be one of the most diversified for its size to be found anywhere.

The company is virtually self-sufficient, designing and building its own machine tools to produce components and with all the facilities needed—pressure die-casting, plastic injection moulding, sheet metal pressing, precision machining, finishing—to look after itself from the raw material stage to final assembly.

All the packing and dispatch, over half to markets outside the UK, is also handled at the factory.

Since Reditronics began to go its own way, it has doubled gross sales every year in its own product sector and now sells about 30 per cent of its output outside the Rediffusion organisation.

A growing market is in the supply of "listening posts" for historic sites, nature reserves and similar locations—a market in which Reditronics became involved through the UK Countryside Commission.

The Commission developed a free-standing, battery-operated, plug-in unit that could privately play back a taped commentary to one listener as an alternative to a public address system. Twenty prototypes were tried out in 1978 at the Ironbridge Gorge industrial museum.

Reditronics was approached because the commission wanted someone to develop the design, making it completely reliable, weather-resistant and vandal-proof, and to produce it commercially.

From this has come a whole range of listening and loud-speaking posts, including remotely fed, wall-mounted and multi-lingual versions. Some 300 have so far been installed on sites in the UK, Holland, Ireland, Norway and Canada.

A coin-operated talking post is currently on trial at London Zoo, and Amsterdam Zoo has found a Reditronics unit so successful that it is likely to order a further 17. Ten listening posts went into service this year at Sir Peter Scott's Slimbridge Wildfowl Trust.

Information on tap . . . from a Reditronics listening post at Jersey's Fort Regent leisure centre.

Another new product — an elaboration of the basic message-repeater—was originally developed for a German supermarket chain, which wanted to combine background music with playing the pre-recorded promotional messages of major suppliers at set intervals, throughout the day, together with facilities for inserting local branch announcements.

Television Research started life as a two-man operation in a caravan and later shared a converted produca warehouse on the St Helier seafront with the local Rediffusion company.

Today, Reditronics is one of the Channel Islands' largest industrial concerns, employing about 200 (with 19 local youngsters on aprenticeship schemes) and with a turnover of some £2m a year.

The company's self-sufficiency, says Gordon Reed, helps to overcome the supply problems of offshore operation. "It also gives us more direct quality control and allows for more flexibility in our product range."

But above all, he thinks, Reditronics' versatility makes the job more interesting for everyone who works there. "It means more problems at times, but it is also more stimulating."

Edward Owen

PROFILE: IAN STEVEN

Brewing the right mix for a small company

LIFE FOR Ian Steven has changed considerably in the last decade. Until 1972 this Edinburgh educated bio-chemist looked after Bass Charrington International's operations in Spain, Switzerland and the Caribbean from a base in Bermuda. When he was in Britain it was mostly Monday to Friday in London with flying visits to his wife and family, who had remained in the Scottish capital, for the weekends.

Then, in 1972, following a disagreement with Bass over a project in Spain Mr. Steven answered an advertisement and found himself managing director of the Ann Street Brewery in Jersey. Last October, he added the chairmanship to his portfolio. "I think I was opting out of the rat race anyway," he says, "though, in fact, I have never worked harder."

Ann Street is not only the larger of the island's breweries but also one of the largest public companies on Jersey, which gives 44-year-old Mr. Steven an important role within the business community. That role has been enhanced by a stint as president of the Confederation of Jersey Industry.

He responds by having clear-cut ideas about the role of management in a small concern. The Ann Street Brewery may be large in Channel Islands terms, but it is essentially a small brewer: it has 50 houses, no gearing, an after-tax profit of £1.1m and very healthy revenue reserves.

For a company his size he believes that personnel and marketing departments are a luxury. "People are so important that their roles cannot be left to third parties. As you create personnel departments then you leave line management to do the nasty things while personnel does the nice things.

Prize-winners

"As far as marketing is concerned, if a manager needs a second party to advise him, then either the company is too big or he doesn't know his job. In a large company you have to have these people. But not here. Small really is beautiful.

"I also believe in keeping internal memos to a minimum. There is only one secretary in this company and when she is on holiday we don't write any letters."

Ian Steven

Some of this may be tongue-in-cheek stuff, but what Mr. Steven is pointing to is the tight lines on which he runs the brewery. Those tight lines have helped turn round the brewery to the point where it can finance its expansion out of its own reserves without the need to dilute its capital.

Despite a good product—Ann Street beers are some 15 per cent stronger than those in Britain and prize winners at brewing exhibitions—the UK national names gained an increasing share of the Channel Islands' market in the fifties and sixties, aided by holidaymakers who wanted to stay with their favourite brews.

Ann Street reacted by making UK brews available in their own houses, becoming agents for a range of wines and spirits and eventually diversifying into allied drinks. First, the brewery took over a soft-drinks company and then it negotiated a franchise with Schweppes.

The latest step has been to move into the hotel business, building on the know-how acquired through the managed trade.

Anne Street has acquired a 45-acre site in Guernsey and a 3-acre site in Jersey. "Diversification is not necessarily a panacea for all ills," Mr. Steven says, "and you have to do it within your management capability. That is why we have gone into hotels. We know something about them."

The company will not over-extend itself by developing both sites simultaneously. The aim is to move first in Guernsey, putting up a 130-bedroom hotel and associated sports facilities at Vimiera, inland from St. Peter Port, the capital, in time for the1982 season.

The cost will be between £3m and £4m and will be met from within the company's resources with just a touch of short-term bank borrowing. When this project is contributing to the firm's cash flow it will look at the smaller Jersey site.

The company's share structure gives Mr. Steven considerable lattitude to run the company the way he wants best without constantly looking over his shoulder in case a predator is lurking around. Some 17 per cent of the equity is held by charitable trusts and almost as much again by a small group of islanders, which includes himself. It is a solid base and allows plenty of freedom, which appeals to Mr. Stevens after his hustled years with Bass.

Anthony Moreton

THE CHANNEL ISLANDS IV

The legendary Dame of Sark died nearly six years ago after a long and remarkably successful battle to preserve her tiny domain from outside interference. But now a new kind of invasion is threatening its tranquillity. Willa Murray reports on the changes.

Sark: a feudal bastion besieged by tourists

Life plods on at an easy pace for Sark's inhabitants

ON JULY 14, six years will have gon hy since the death of Dame Sibyl Hathaway at the age of 90. As La Dame de Sercq, she was a legend in her own lifetime, and for 47 years held sway over her tiny domain with an authority that even the occupying German forces in the Second World War preferred not to challenge.

Constitutionally, Sark — the "last hastion of feudalism" that she did so mnch to promote and safeguard—is unchanged. La Dame's grandson, Michael Beaumont, takes his traditional place as hereditary Seigneur at thrice yearly meetings in the local schoolroom of *Chief Pleas*, the island's parliament.

MPs are still the 40 landowners of freehold property in the 3½-hy-1½-mile island allotted by the first Seigneur, Helier de Carteret, to fellow colonists in the days of Elizabeth 1, together with 12 elected people's deputies.

But progress—for hetter or worse—has begun to make a mark on this offshore Ruritania and, say older, head-shaking residents among the 560 population, "Sark is not the same."

The most noticeable change is a gradual take-over of the day-trip business hy package tours, which many Sark lovers think is threatening one of the island's biggest assets—its unhurried tranquillity.

Tourism, lasting some six months of the year, is the mainstay of a self-supporting community with no income tax, capital gains tax, death duties, or revenue from company registration. For decades, day visitors have been a useful second string to staying guests in hotels, guest houses and self-catering accommodation, totalling about 400 tourist beds.

But now several parties of British and Continental visitors a day are shuttled over from Jersey and Guernsey by fast vessels on trips built into their holiday packages. The highlight of their few hours in Sark, where cars are banned, is a tour by horse-drawn carriage or wagonette, cut short to squeeze in two trips a day instead of the leisurely full day once offered by drivers.

Carriages and horses have multiplied to meet this new demand, adding to the noise and dust on unmade roads from tractors and hired hicycles.

Tight schedule

Last December, Chief Pleas called a halt until November, 1981, on the issue of new licences for horse-drawn vehicles—which still leaves 58 tractors, 821 bicycles, 74 horses, 33 vans, 27 wagonettes, six Victorias and five two-wheeled carriages at large.

Althongh 82,000 adult visitors paid the 25p poll tax to land in Sark last year (children under 14 disembark free), some islanders think the packaged day trippers benefit nobody but the carriage drivers.

Many hring packed lunches, and are worked into schedules so tight that they scarcely have time to buy even a postcard. One island conple said that these visitors saw too little of "the real Sark" to get a favourable impression of the island.

Worse still, it is claimed, the day-trip traffic is beginning to affect the genuine tourist trade—staying guests with time to appreciate the island'a peace, beauty and friendliness, buy its low-duty drinks and cigarettes, and patronise its surprisingly fine restaurants.

A revolution since Dame Sibyl's day that has upset everyday life in Sark is the switch from a manual to an automatic STD telephone system, introduced a year ago.

Sark's 24-hour telephone service, *managed* in *shifts by four* lady operators, was unique. Numbers were unnecessary within the island, hecause the operator connected callers with the person asked for—even if they were out visiting a neighbour or a bar.

Now Sark's doctor (who carries ont his rounds on a bicycle) has had to instal an Ansafone. Its tinny voice intimidates his elderly patients, and cannot—like the operator could—interpret what they want.

The tractor-drawn ambulance and fire-engine can no longer be rushed into action by the telephone ladies ringing round to call the men in from the fields. Instead, Sark has ordered sirens which will be sited at strategic points to alert the firemen, and will be set off from the lighthouse.

Michael Beaumont explained: "Nobody wanted STD—it's very inconvenient. But the Guernsey Telecommunications Board, which is responsible for Sark's service, and for the operators' wages, could no longer get the spare parts for our old exchange."

Inflation, says the island's Seigneur, is the biggest economic problem now facing tiny Sark. This year, for example, the island expects to pay over £8,000 for the services of a Guernsey policeman, who is brought over in the tourist season to help the two local, honorary police.

In 1974, the year of La Dame'a death, the same service cost £2,242.

The Seigneur and his wife, Diana, are a popular couple—hard-working and more democratic than feudal in their approach. But it has yet to be seen whether they will be able to project the identity of the island in the same way as Dame Sibyl, whose view of her role was formed in a more forthright and uncomplicated age.

She believed in the independence of her hirthplace, and in its ability and right to fend off outside interference. And she played up to the part of Sark's uncrowned "queen" with the persuasiveness of complete conviction.

One Sark-born resident recalled: "They would have it in the English papers that La Dame ruled us—but this wasn't true. It's Chief Pleas—then as now—that governs the island. But there's no donht that visitors got a big thrill if they just caught a glimpse of Dame Sybil driving by in her carriage."

Channel TV reigns alone

WHEN APPLICATIONS for the new round of contracts closed last month, Channel Television found itself in the enviable position that no one else sought to displace it in the islands. This gives it a considerable advantage: it can plan for the longer term and not have to look over its shoulder while the Independent Broadcasting Authority adjudicates over the merits of rival claimants.

Channel is not unique in this situation; hoth Border and Grampian are in the sama position. But it is unique in one respect; it is the only station in Europe to be completely "electronic," having gone over to the ENG, or electronic news-gathering system. Other companies in Britain, such as Grampian and Tyne-Tees hava ENG and Westward will have some next month, but Channel is the only company this side of the Atlantic to have sold all its film processing eqnipment and film cameras.

Mr. Ken Killip, its managing director, claims it has one other distinction. It is, he says, the nearest thing there is in Britain to a community station, closely reflecting the needs and aspirations of the area it serves.

Although Channel TV is the smallest of the commercial stations, this has not heen easy to achieve. Since the station has to operate in two islands whose laws, habits and preferences are very different. Channel's headquarters may be in St. Helier in Jersey, but it has to keep a very active operation in Guernsey, a costly item for a small station.

If uniqueness is nearly achieved in these directions it is absolute in one respect: the IBA Act, which controls commercial television, is the only Act of the UK Parliament which relates to the Channel Islands. In all other matters the islands are sovereign. When the IBA Act was extended to the islands it was with their consent.

The IBA requires the station to produca 3¼ hours of programmes a week and its output is between 4 and 4½ hours. It attempts to divide this equally between Jersey and Guernsey, though in the inevitable way of things it never succeeds in satisfying either island completely.

Channel's policy is to concentrate this production on those items which cannot be provided from outside and to buy in from the network the bulk of its material.

Its half-hour local programme, which begins at 6 pm after the national news from ITN, achieves very high viewing figures, pushing the BBC well into the hackground. Bnt the massive lead disappears as the evening goes on.

It is the technique of news-gathering that really sets the company apart, though. Electronic news gathering, mnch practised in America and an invaluable tool in reducing costs and manning levels, has heen accepted by the unions on the islands.

Labour costs

ENG is costly to introdnce—about £50,000 for each unit and Channel has three—but Mr. Killip estimates that Channel saves £20,000 a year on film alone, apart from the saving in lahour costs.

Channel has been ahle to reach agreement on the difficult question of ENG not only because relations with its unions are excellent bnt also because the unions have a different approach to industrial relations in such a small community than they do on the mainland. Since the station started in 1962 it has never heen off the air.

Channel would like to provide programmes from time to time for other stations, but it has no plans to contribnte to the network. This does not mean that it is happy to swim along in its little pool.

Although advertising revenue is buoyant, it is looking for alternative sources of income and has recently set up two operating subsidiaries, Channel Promotions and Channel Rentals, to take it into publishing, distribution, text marketing and sales and renting of sets. Both, according to Mr. Killip, are making a "tidy return" and what he describes as "an accountant's profit." Of more importance, though, at the moment is the cash flow the rental company provides.

The company would also like to have gone into commercial radio hut was prevented from doing so when the island governments opted for an association with BBC local radio.

Channel was not alone in seeking the radio franchise, hut its failnre could have one blessing. The arrival of BBC local radio late next year will not draw away any advertising support from Channel which, in these times, is not a had thing.

A.M.

Where morning meets evening . . .

ALTHOUGH THERE are two main papers in the Channel Islands, it is not easy to categorisa either in British terms.

The Jersey Evening Post is made up hy 2.30 pm and its one edition is on tha streets hy 3, so that it might be described as an early evening paper. Its counterpart in Guernsey, the Evening Press, prints just before 10 am and ia on sale from about 10.30. It might title itself an "evening" but it is hardly that: given its edition time—it, too, has only one edition—it is hardly a morning, either.

What might appear to be disadvantages to British eyes is no drawhack in the islands. Both papers, while still putting on circulation, have almost reached readership saturation level.

The Post has a circulation of just under 23,000 and the Press a little over 15,800, which means that allowing for the few peopla who do not buy any paper and the few more who do not buy a local one, both papers reach virtually every home.

Neither sells on the other's patch. There is a gentleman's agreement that one does not poach in the other's water and despite a slight frisson some years ago when the Jersey Evening Post attempted to sell one edition a month on a special occasion, this has heen meticulously observed.

Travel agency

The London nationals might, therefore, seem the main competition, though neither paper quite sees it this way. The two papers see their role as that of essentially providing local news and views and therefore do not compete with the nationals. The Guernsey Evening Press carries no newa originating outside the islands. Its editor, Mr. Dave Prigent, says: "We are a paper of record of island events and so we don't run anything other than island news. This extends to sport as well. There might be items from Jersey, bnt no further afield."

The only major exception is when there is an event in, say, London, which is of importance to the islands. The paper would certainly cover that, probahly on a joint basis with the Evening Post.

The Post does cover non-island events, but only on a minor scale. It reserves the hack page for international news and carries some sport, though its edition timing limits this.

Both Post and Press profess to be unconcerned about the coming of local radio, though they agree it will give them extra competition. Mr. Michael Rumfitt, editor of the Jersey Evening Post, says that "commercial radio, had it come, might have drawn advertising revenue away from us but we are not now worried about the BBC.

"It could attract soma of our staff, if it arrives with higher wages rates, and it could bid up our rates. But editorially we are not too concerned."

The Guernsey evening has a 15 per cent stake in Channel Television but this is an investment holding and the paper exercises no editorial or decision-making control. In Jersey, diversification has involved going outside the communications industry with which the company has been primarily involved since it came into existence 90 years ago.

With readership, and therefore advertising revenue growth, severely constrained (a survey in 1976 showed the paper was read by 96 per cent of islanders) the paper has been looking for different areas to maintain its profit growth.

The first, and most obvious, of these was in printing. It has added colour to its presses and prints a give-away sheet.

The second area is less usual: it moved two years ago into tha travel business, buying an agency with two retail ontlets, one in St. Helier and the other in the west of the island. This is run as a separate profit centre and is reported to be trading satisfactorily.

The two papers share one other characteristic. Both are prodnced hy the most up-to-date electronic processes. It might be thought a touch unusual that these two minnows should he showing their much higger brothers the way, bnt no one on the islands would do anything than consider such a course as usual. And, sad to say, most people in Fleet Street wouldn't either.

A.M.

COMMODITIES AND AGRICULTURE

New silver contract plan in Chicago

THE CHICAGO Board of Trade has voted to introduce a 1,000-ounce silver-futures contract—one fifth the size of its existing contract—to encourage more people to trade, reports AP-Dow Jones.

The new contract, which would trade in addition to the existing one, must be approved by the Commodity Futures Trading commission.

Silver futures trading has declined sharply in the U.S. since the Board of Trade and the New York Commodity Exchange imposed touch trading restrictions during the silver crisis in a bid to cut back the activities of big speculators, like the Hunt brothers. Volume on the Board of Trade in May was a mere 4 per cent of its year-earlier level.

The rise in silver prices means that the value of a 5,000-ounce contract is considerably higher: it is thought a smaller contract would be more attractive to users, dealers and speculators.

Carter and Trudeau to discuss grain

PRESIDENT Carter and Mr. Pierre Trudeau, Canada's Prime Minister, will discuss at the summit meeting in Venice whether Canada will continue to support the U.S. grain embargo, Mr. Bob Bergland, U.S. Agriculture Secretary said.

Canada's eventual position will be the crucial link on whether other grain exporting nations in general and Australia in particular will continue to support the embargo, he said.

While Canada has agreed not to increase grain shipments to the USSR in the current crop year, it has not made any decision concerning shipments in the 1980-81 year. The U.S. seeks to persuade Canada to hold its grain sales to the USSR as traditional levels, which averages about 3.8m tonnes a year.

Mr. Bergland said Australia would be willing to keep its grain sales to the USSR at traditional levels if Canada and other exporting nations maintain their restrictions.

Farm groups in the U.S., Australia and Canada have all been putting pressure on their respective governments to ease the grain trade restrictions with the Soviet Union, he said.

Brazil to step up sugar production

BY RIK TURNER IN SAO PAULO

BRAZIL IS to step up its output of sugar this year from the current harvest by cutting back on the amount used for alcohol production, it was announced yesterday. But it was emphasised that the switch back from alcohol to sugar production was nowhere near as heavy as recent rumours in the world sugar market had suggested.

Sr. Hugo de Almeida, president of the Brazilian Institute of Sugar and Alcohol, said Brazil's sugar crop this year would be increased by 1.2m to 7.8m tonnes, whilst alcohol production would be cut by 100m litres from the $4.2bn litres originally predicted for 1980.

Although only a small amount of cane has been diverted back into sugar production, the 2.2m tonnes of sugar which will now be available for export from the present crop, will go some way towards improving the revenue from Brazil's agricultural exports.

Between January and the end of May 1.1m tonnes of sugar from last year's harvest were exported by Brazil. The revised figure for the present crop means a possible 2.5m tonnes in total exports for 1980, and export revenue is likely to exceed the $1bn target announced for the year.

Mr. Alfred Dangoor, of the Multival Brokers' Company, in Sao Paulo, commented: "It would make economic sense to export more sugar, particularly with prices for Brazil's other exports such as coffee, soya and cocoa, so low at the moment. However, the government has commitments to the car industry and alcohol producers, so they are steering a happy medium diverting some cane back into exports."

Our Commodities Staff writes: World sugar prices rallied strongly again yesterday, after sustaining heavy losses in early trading. The October position on the futures market closed £4.5 down at £378.75 a tonne, after falling to £370 at one stage and reaching a high of £383.50.

The recovery in the afternoon was encouraged by news that the EEC Commission had authorised the export of only 13,500 tonnes of white sugar at its weekly selling tender, 20,000 tonnes less than the previous week. The Commission raised the export levy charged to 6,072 european currency units per 100 kilos against 1,751 units.

Zimbabwe may cut tobacco

BY OUR SALISBURY CORRESPONDENT

TOBACCO output in Zimbabwe in 1980/81 may have to be curbed, though whether this will be done by physical controls or simply follow naturally from a weeding out of the less successful producers remains to be seen.

At present there are about 1,750 white tobacco growers in Zimbabwe, whose expectations of a sharp improvement in tobacco prices when sanctions were lifted at the end of last year have been shattered by ten weeks of disappointingly low prices at the Salisbury auction floors.

With about 30 per cent of the 1979/80 crop sold so far this season, the average price for the season now stands at 75.4 Zimbabwe cents (113 U.S. cents) a kilo. Before the sales started some optimists were forecasting an average for the season of 140 Zc per kilo (210 U.S. c) while the pessimists believed that the year-end figure would be around 100 Zc (150 U.S. c) a kilo.

When the sales started in early April, the price averaged 84 Zc a kilo and was some 30 per cent higher than the comparable figure for last year.

But instead of moving higher, as is normally the case as the better leaf comes to the floors, the price has weakened every week and the weekly average last week was down to only 68 Zc. Last year the season's average was 82 Zc but the country was left carrying a substantial stockpile of more than 60m kilos of leaf.

This year, the Zimbabwe Tobacco Association, which represents the growers, has said it believes that the carryover into the 1981 sales season is likely to exceed 100m kilos, which is a normal year's production at current output levels.

This has fuelled speculation that there will have to be some programme to reduce tobacco output next season, though whether this will result from natural market forces or whether quota restrictions will have to be used is unclear at this stage.

Many growers say that unless there is a big improvement in prices in the latter half of the season, they will be forced out of production next year by rising costs, including the new minimum wage for farm labour, and also by the reluctance of their bank to lend for tobacco production.

North Korea and China are between them to purchase 6m kilos of Zimbabwean tobacco, Mr. Simon Muzenda, the Zimbabwe Foreign Minister, announced yesterday after his brief visit to Far East countries, including Japan.

China will buy 5m kilos and North Korea 1m kilos the minister said.

A number of Zimbabwean tobacco producers may find it financially imposible to stay in production next season and the Industry's problems are still likely to remain next year, the president of the Zimbabwe Tobacco Association Mr. Don Bulloch warned yesterday.

Addressing the annual conference of the 1,750 tobacco growers Mr. Bulloch said growers might be forced out of their production and even off their farms by the present low level of prices. He said that present floor prices made a mockery of farmers finances, warning that there could be massive unemployment if prices did not improve very substantially.

He criticised the "total lack of support" of many big buyers, who stated that their main concern was over the country's ability to guarantee continuity of good quality leaf supplies.

Bauxite talks planned

BY OUR CORRESPONDENT IN GEORGETOWN

SENIOR Government officials of bauxite-exporting countries and top executives of aluminium companies are to meet in Kingston, Jamaica, in December for discussion on the bauxite industry, according to Mr. Patterson Thompson, chairman of the Bauxite Industry Development Company here.

Proposals for such a meeting have been in the air for about a year and were finalised at the recent meeting of the International Bauxite Association. The producer-consumer talks will be preceded by another IBA session in the Dominican Republic in November.

Mr. Thompson said the main items under discussion with consumers will be "reasonably stable prices"; the transfer of technology and access to technology on reasonable terms, and development of energy resources of developing countries.

Sharp drop in loans to farmers

By Our Commodities Staff

NET LENDING by the Agricultural Mortgage Corporation (AMC) to farmers in the year ending March 31 fell by £6.9m to £26m against £32.9m in 1979, according to the Corporation's annual report, out yesterday.

The main reasons for the fall in loan applications, said Mr. John Glyn, chairman of the AMC, were high interest rates which have made the industry reluctant to invest, particularly on borrowed capital, the increased willingness of banks to make long-term loans, and the fall in land prices during the past year.

Mr. Glyn noted that high interest rates generally, including a substantial increase in AMC's rates, coupled with the current cost price squeeze affecting the agricultural industry's margins had made borrowing for investment by farmers hard to justify.

The fall in land prices in the year to March 31 had also given rise to a fall in activity which was reflected in the total number of individual land sales.

Mr. Glyn welcomed the recent tax provision to allow expenses of raising capital by AMC against tax. The rule, he said, would likewise enable certain borrowers to charge against tax some of AMC's fees and charges, previously disallowed.

UK FARMING

Rain welcome, but some crops still harmed

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE RECENT rain has saved many British farmers from a very serious situation. The drought which had been countrywide bad, by the end of May, produced dry soil conditions particularly on light arable soil and, paradoxically, on some of the Midland grazing areas, where the soil is of the heaviest.

Farmers had been running short of feed for their stock and the prospects and hay and silage had been very poor indeed. This in turn affected the trade for store cattle and sheep, where in many areas the usual summer fall in prices came much sooner than would normally be expected. Growth of grain and other arable crops, particularly sugar beet, had been much restricted, and in particular there had been some very uneven germination of spring sown crops.

The crops which stood the drought best had been the autumn sown wheat and barley, but in many cases these had been showing signs of premature maturity such as very early ear emergence and in many areas they don't seem to be as thick as they normally would have been because tillering was much restricted.

However, this may not have been too serious, as there is a school of thought, led by Professor Laloux in Belgium, which discounts the benefits of very thick crops, preferring fewer but better filled ears.

The rains though have improved the appearance of the wheats in particular and all the signs of stress which were sending farmers hot foot to the sprayers, have most miraculously disappeared. They were mostly caused by drought and not by disease.

Spring barley, which still account for about two thirds of barley sowings, suffered badly, not only from delayed germination but from moisture stress. Unlike wheat this needs to be a strong, thick plant and on that criterion I have seen very little really good spring barley. The fact that some torrential thunderstorms have failed to beat crops down is not a good augury for a heavy yiled.

There is a question mark over sugar beet. Beet which had been well established before the drought really set in and benefited from early breaks in the drought is going well, but some East Anglian areas have suffered to the extent that yields could be very much reduced.

The same could apply to potatoes. It is imoprtant to remember that farmers' reports of conditions are highly subjective but the overall impression does seem to be that arable crops overall could have suffered enough damage to reduce the optimum harvest out-turn quite substantially.

Grassland farmers have had considerable relief from a very tricky situation. By the end of May grass had literally stopped growing and cuts of silage had been very light indeed. Since then, grass has started growing again and the immediate situation has been eased. The stock have enough to eat. Some uncertainty, however, hangs over winter's feed supplies.

Many early cuts of hay have been spoilt by the rain and more will be as the unsettled weather goes on. At the same time the later cuts of hay and silage will hardly be heavy enough to get the stock through the winter, and the quality of late cut forage is nothing like as good as that cut in the early summer. On balance, in spite of the saving rains, the drought has been a most costly experience for most farmers and one of which the effects will be felt for months.

Australian wool plan attacked

SYDNEY—Mr. René Vandervaere, chairman of the Australian Council of Wool Buyers, said he is seeking an early meeting with Australia's Minister for Primary Industry to voice concern at the Australian Wool Corporation's proposed new marketing service.

Under the scheme which starts on July 1, farmers will be paid $A50 a bale as soon as their wool is delivered to the store.

The government recently approved continuous wool trading as part of the Corporation's involvement in the world market which will follow on from the limited offer to purchase scheme, which will end on June 30.

Mr. Lyle Ford, Southern Region AWC manager responsible for daily wool marketing service management, said it will combine many features of auction selling with direct sales flexibility and convenience.

The main features of the service would include fully competitive prices payable within 15 days of delivery, A$50 per bale immediate part payment, on delivery to store and valuation based on measurement for all lines of three bales or more.

Other features include, lower selling cost due to fixed per-bale handling and storage charges and no commission charge, regional receival depots, the option to choose action selling at no extra cost and services including pack supply, clip preparation advice and clip inspection.

Mr. Ford said the marketing service will start in South Australia, Victoria and southern New South Wales with Melbourne and Adelaide the main operating and handling centres.

Mr. Vandervaere said the new service seems to bypass the whole chain of private enterprise.

It also disregarded previous AWC assurances that it would not resort to direct sales to users except in special circumstances, he said.

● At the British Wool sale in Bradford best picks sold in sellers' favour but other picks, supers and halfbreds were all 5 per cent cheaper compared with the last sale May 14, the official report said.

About 75 per cent of the 1.3m kilos or so offered were sold. Of the offerings, 1.045m kilos were 1979/80 clip and the balance of around 245,000 kilos was the first offering from the new 1980/81 clip.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer on the London Metal Exchange. After trading between £871 and £867 during the morning forward metal picked up in the afternoon to close the late Kerb at £876.5, reflecting the strength of Comex. Turnover: 20,400 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	846-.5	+8.25	850-2	+8
3 months	869.5-70	+12	876-.5	+11½
Settlem't	846	+8.5	—	......
Cathodes				
Cash			820-2	+4
3 months	817-8	+2	851-2	+8
Settlem't	818	+11.5	—	......
U.S. Prod.	818	+9	*88-90	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £846, three months £868, 68, 69, 68.5, 68, 67, 67.5, 68, 68.5, 68, 69, 69.5. Cathodes: cash £817, three months £847, 48. Kerb: Wirebars three months £868, 68.5, 69, 70. Afternoon: Wirebars, three months £878, 78.5, 79, 78.5, 78, 77, 77.5, 78, 77.5, 77, 76.5, 76. Cathodes: three months £851. Kerb: Wirebars, three months £878, 78.5, 78, 77.5, 77, 76.6, 77.

TIN—Marginally firmer. Keen interest in cash metal during the morning lifted three months to £7,310 and cash to £7,330—a backwardation of £20. However, in the afternoon freer offerings of nearby dates prompted a contango of around £5 and forward metal closed the late Kerb at £7,315. Turnover: 810 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7515-25	+80	7505-10	+88
3 months	7340-50	+15	7350-60	+55
Settlem't	7526	+90	—	......
Standard				
Cash	7310-15	+77.5	7300-10	+80
3 months	7300-10	+7.5	7310-5	+25
Settlem't	7316	+76	—	......
Straits E.	$2134-1	......		......
New York	—	......		......

Morning: Standard, cash £7,320, 30, 25, 20, 15, three months £7,290, 7,300, 10, 7,300, 20. Kerb: Standard cash £7,310, three months £7,300. Afternoon: Standard, three months £7,310. Kerb: Standard, three months £7,315.

LEAD—Barely changed. After a firm opening when three months metal rose to £328 in the wake of good fresh buying and chartist interest forward metal dipped to close the late Kerb at £319.5, reflecting renewed U.S. hedge selling. Turnover: 11,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	315-6	+2	318-4	—2
3 months	328-3	+1	321-2	—5
S'ment	316	+2	—	......
U.S. Spot	—	......	*36-40	......

Morning: Cash £316, three months £327, 26, 25, 24, 23, 22. Karb: Three months £323. Afternoon: Three months £324, 25, 23, 22. Karb: Three months £321, 20.

ZINC—Held steady in dull and routine trading prior to ending the day at £303.5. Turnover: 8,225 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	282-3	+8.25	281-2	+3
3 months	303-4	+7.75	302.5-3	+1.75
S'ment	295	+8.5	—	......
Primw'ts	—	......	*35.5	......

Morning: Cash £282.5, 92, three months £303, 4, 2, 3, 4. Kerb: Three months £303, 2. Afternoon: Three months £304, 3. Kerb: Three months £302, 3.

ALUMINIUM—Easier on hedge selling and lack of interest. Forward metal opened at £705 and gradually fell away to close the afternoon at £701. Turnover: 5,675 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	695-6	+13.5	692.5-3	—2.25
3 months	702-3	+8	701-.5	—1.25

Morning: Three months £706, 6, 4, 3. Afternoon: Three months £703, 2, 1, 700 1, 1.5. Kerb: Three months £701.

NICKEL—Moved narrowly in quiet and routine trading before closing the late Korb at £2,775. Turnover: 336 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2710-20	+20	2710-25	+12.5
3 months	2765-75	......	2775-80	+2.5

Afternoon: Three months £2,775, 80.

* Cents per pound. ‡ SM per picul. † On previous unofficial close.

SILVER

Silver was fixed 11.75p an ounce higher for spot delivery in the London bullion market yesterday at £6.77. U.S. equivalents of the fixing levels were: Spot $16.787, up 28.7c; three-month $16.113, up 27.3c; six-month $16.458, up 23.8c; and 12-month $17.238, up 23.8c. The metal opened at £6.7-£6.85 ($16.7-$16) and closed at £6.80-£7.00 ($15.95-$16.25).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	677.00p	+11.7	689.25p	+27.5
3 months	704.00p	+11.8	717.5p	+27.5
6 months	750.00p	+15.9	—	......
10 months	771.00p	+15.8	—	......

LME—Turnover 221 (256) lots of 10,000 ounces. Morning: Cash 677, three months 708, 6. Kerbs: Three months 709. Afternoon: Three months 717, 16, 15, 16, 17, 18. Kerbs: Three months 717, 16, 16, 15.

COCOA

Restricted again to a narrow trading range futures closed marginally lower than Tuesday evening. Physicals failed to attract producers while consumers confined themselves to light purchases on a different basis, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
July	1103-05	—3.5	1105-1095
Sep	1114-15	—7.0	111-808
Dec	1156-58	—8.5	1160-51
March	1196-98	—6.0	1197-90
May	1218-23	—2.5	1225-15
July	1240-50	......	—
Sept	1260-75	......	1265

Sales: 2,322 (1,572) lots of 10 tonnes.

COFFEE

Robustas once again opened lower in good volume. Late morning dealings were mixed. Trading in the afternoon began on a very steady note and prices rose £10 from lunch, but this was short-lived and on an erratic and very busy close values dipped alarmingly before producer-type buying rallied the market to finally close a hectic day, £12-£33 down, reports Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1523-27	—32.5	1560-20
Sept	1587-90	—14.5	1617-70
Nov	1622-25	—18.0	1643-10
January	1635-45	—17.5	1661-38
March	1603-04	—24.0	1657-82
May	1605-15	—20.5	1605-95
July	1580-25	—20.0	—

Sales: 5,823 (9,000) lots of 5 tonnes.

ICA Indicator prices for June 17 (U.S. cents per pound): Other Mild Arabicas 178.50 (182.33). Robustas ICA 1976 168.00 (175.00). ICA 1968 168.25 (175.25). Unwashed Arabicas 209.00 (same). Comp. daily ICA 1968 186.67 (180.72).

GRAINS

LONDON GRAIN FUTURES — The market was quiet and featureless today. Prices slowly eased, barley more so than wheat, with traders tending to buy wheat and sell barley. Thus at the close wheat was 5p-15p down and barley 20p-30p lower, reports Acli.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept.	95.05	—0.15	81.55	—0.20
Nov.	98.30	—0.05	85.40	—0.25
Jan.	102.90	—0.05	89.20	—0.30
Mar.	106.30	—0.05	102.45	—0.35
May	109.70	—0.05	105.70	—0.25

Business done—Wheat: Sept. 95.15-95.05, Nov. 99.00-98.85, Jan. 102.95-102.80, March no trade, May 109.65-109.65. Sales 77 lots of 100 tonnes. Barley: Sept. 81.70-81.50, Nov. 85.60-85.50, Jan. no trade, March no trade, May 105.90-105.85. Sales 64 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, July 94.75, Aug. 96.00, Sept. 96.75 transhipment East Coast. English Feed fob Sept. 99, Oct. 100.50 East Coast. Maize: U.S./French June 118.60, July 119.75 East Coast. S. African Yellow July-Aug. 80.00. Barley: English Feed fob Sept. 94.25, Oct. 99.00, Jan-March 105, April-June 110 East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 93.00.

RUBBER

The London physical market opened easier with small covering orders at lower levels, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 289 (295) cents a kg (buyer, July).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
July	55.50-58.80	60.70-60.90	56.60
Aug	60.20-60.50	61.70-62.20	—
Jly-Sept	60.15-60.50	61.70-62.18	60.60-60.45
Oct-Dec	65.50-65.80	65.00-65.18	65.10-63.50
Jan-Mar	65.60-66.75	69.00-69.16	65.90-66.50
Apr-Jne	68.20-68.40	70.70-70.90	69.20
Jly-Sept	72.00-72.18	73.50-73.75	72.40-72.00
Oct-Dec	74.50-74.60	75.50-76.15	74.90-74.60
Jan-Mar	77.30-77.10	78.50-78.60	77.50-77.80

Sales: 366 (325) at 15 tonnes, 4 (9) at 5 tonnes.

Physical closing prices (buyer) were: Spot 58.50p (59.50p); July 62.00p (63.25p); August 62.50p (63.50p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 41 tonnes, bringing the total for the week so far to 184 tonnes. Minor replenishment orders were reported without the offtake reaching more than modest proportions. Scattered operations were mentioned in African and South American varieties with limited support in Middle Eastern qualities.

SOYABEAN MEAL

The London Market opened with losses of around £1.00, where trade support was found, reports T. G. Roddick. Prices firmed on commercial buying and finished with small losses on day.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	94.00-98.00	—1.50	—
August	101.60-01.9	—0.70	102.50-01.15
October	102.80-03.0	—0.20	103.00-01.50
December	106.00-06.1	—0.50	—
February	109.10-09.3	—0.50	—
April	111.20-11.5	—0.45	—
June	111.50-14.5	—0.50	—

Sales: 32 (79) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £315.00 (same) a tonne cif for June-July-Aug. shipment. White sugar daily price was £336.00 (same).

The market opened £2 above kerb levels but generally lacked interest either side during the morning. Later, however, after the EEC granted export restitutions for only 13,500 tonnes, the market moved higher, aided by higher overseas quotations, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug.	381.75-82.25	388.50-87.00	389.00-81.00
Oct.	378.50-79.00	385.00-85.50	385.50-76.50

Sales: 5,485 (5,677) lots of 50 tonnes.

No. 4 CONTRACT—Close (in order buyer, seller only): Aug. 352.00, 353.00; Oct. 371.00, 373.00; Jan. 380.00, 383.00; March 388.00, 389.00; May 382.00, 383.00; Aug. 372.00, 378.00; Oct. 369.00, 375.00. Sales: 4,570 (6,179).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £437.50 (£436.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for June 17: Daily price 31.12 (31.19); 15-day average 30.80 (31.05).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. July 452.0, 454.0, 457.0-447.0, 233; Oct. 446.0, 447.0, 453.0-442.0, 271; Dec. 447.5, 448.0, 452-441.5, 263; March 451.0, 455.0, 454.0-447.0, 98; May 456.0, 459.0-450.0, 93; July 462.0, 465.0, 462.0-452.0, 52; Oct. 458.0, 458.0, 458.0-456.0, 21; Dec. 456.0, 458.0, 459.0-456.0, 26. Sales: 1,057.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 350, 362, nil, nil; Oct. 360, 361, 361, 5; Dec. 363, 364, 363, 1; Jan. 365, 367, 361, 2; March 370, 371, 370-369, 10; May 370, 372, 371-366, 8; Aug. 371, 372, 372-368, 8; Oct. 371, 373, 373, 8; Dec. 375, 376, 375, 1. Sales: 42.

JUTE

JUTE—June-July C and F Dundee: BWC £214, BWD £186, BTB £265, BTC £226, BTD £153. Antwerp June-July: BWC $491, BWD $410, BTB $530, BTC $528, BTD $458. Jute goods C and F Dundee: June 40-in 10-oz £13.03, 40-in 7.5 oz £10.15. "B" twills £31.13.

★

Potato Futures — Concern about a possible excess of harvest supplies this year brought a fall in nearby prices. But more distant prices were steady reflecting the carrying costs, reports Coley and Harper. Closing prices: November £48.60—£1.70 (high £50.40, low £48.70); February £54.40—£1.00 (high 55.20, low £54.30); April £59.60). Turnover 75 (56) lots of 40 tonnes each.

PRICE CHANGES

In tonnes unless otherwise stated.

	June 18 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1835/55	......	$1785/15
Copper			
Cash w'bar	£851	+8	£863.5
3 mths	£876.25	+11.25	£908.5
Cash Cathode	£821	+4	£862
3 mths	£851.5	+8	£888
Gold troy oz	$604.5	+18	$514
Lead cash	£313.5	—2	£342
3 mths	£321.5	—5	£348.5
Nickel	£3,248.55	......	£3,535
Freemkt (cif (lb)	270/305c	......	265/295c
Platin'mtr'y oz	£182.50	......	£189/195
Free mkt	£275.65	+8.35	£238.60
Quicksilver	$375/385	+5	$360/380
Silver troy oz	677.0p	+11.75	517.50p
3 months	704.0p	+11.80	537.60p
Tin Cash	£7,305	+60	£7,372.5
3 mths	£7,312.5	+25	£7,577.5
Tungsten 22.04 lb	$132.88	—1.91	$143.49
Wolfrm 22.04 lb	$142/145.5	+0.75	$138/145
Zinc cash	£281.5	+5	£306
3 months	£302.75	+1.75	£316.25
Producers	$780	......	$760/825
Oils			
Coconut (Phil)	$650	......	$625
Groundnut	‡		‡
Linseed Crude	£412	......	£404
Palm Malayan	$560w	—5	$582.50
Seeds			
Copra Phillip	$430	......	$405
Soyabean (U.S.)	$257z	—1	$265.45
Grains			
Barley Futures	£95.40	—0.25	£91.90
Maize			
French No3AM	£110.50	......	£117
Wheat			
No. 1 Red Spg.	‡		‡
No2HardWint.	‡		‡
Eng. Milling	‡		‡
Other commodities			
Cocoa ship't	£1,170	—7	£1,150
Future Sept.	£1,114.5	—7	£1,589.5
Coffee F't Sept.	£1588.5	—14.5	£1,717.5
Cotton A.Index	83.40c	+0.15	83.10c
Rubber (kilo)	58.50p	—1	56.50p
Sugar (Raw)	£315	......	£325
Woolt'ps 64s kl	283p kilo	......	295p kilo

u July-Aug. v June-July. w Aug. x July. z Indicator. § Buyer. ‡ Per 276-lb flask.

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, codlings £2.60-£4.00. Large haddocks £3.60-£5.00, medium £3.60-£4.00, small £1.80-£3.00. Large plaice £5.00, medium £4.50-£5.50, best small £3.00-£3.50. Skinned dogfish (large) £10.00-£12.00 (medium) £8.00. Lemon soles large £7.00, medium £6.00. Rockfish £2.20-£2.93. Rods £1.60-£2.40. Saiths £2.00-£2.40.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 66.0 to 71.0; Ulster hindquarters 80.0 to 89.0, forequarters 42.0 to 45.0; Eire hindquarters 80.0 to 84.0, forequarters 40.0 to 44.0. Lamb: English small 64.0 to 71.0. Imported frozen: NZ PL 59.0 to 61.0, PM 57.0 to 57.0. Pork: English, under 100 lb 40.0 to 49.0, 100-120 lb 39.0 to 47.5, 120-180 lb 38.0-47.0.

MEAT COMMISSION—Average fatstock prices at representative markets on June 18. GB cattle 81.06p per kg lw (—0.15); UK sheep 148.48p per kg est dcw (+1.08); GB pigs 65.96p per kg lw (+0.81).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Jaffa: Valencia Lates 2.80-4.00; Egyptian: Valencia Lates 75/125s 2.00; Moroccan: 64/113s 3.80-4.20; Cyprus: Valencia Lates 3.80-4.50; Outspan: Navels 2.80-4.55. Lemons—Italian: 100/150s 3.00-3.50; Spania: Trays 25/45s 1.80-2.00, boxes 4.40-5.50. Grapefruit—Jaffa: Boxes 40/56s 5.00-5.50; Outspan: 4.00-4.85. Apples—New Zealand: Sturmer Pippins 8.40-8.50, Red Delicious 138s 9.00-9.20, Richared 8.20-8.80, Granny Smith 9.00-9.20; Tasmanian: Golden Delicious 7.50, Sturmer Pippins 8.20-8.40; S. African: Golden Delicious 9.60-9.80, Starking 9.60, Yorks 8.00-9.00, Granny Smith 8.80-9.20; Dutch: 22-lb Golden Delicious 2.40; French: 40-lb boxes, Golden Delicious 138/198s 5.80-6.50, 20-lb 3.20-3.40; Italian: Jonathans/Romes 40-lb 5.80-6.00, Winesaps 5.60. Pears—S. African: Approx. 35-lb Packham's 5.50-10.00; Italian: Passacrassane 12-lb 2.40; Victorian: Josephines 10.00, Peckham's 10.50. Peaches—Spanish: Yellow Rosh 1.80-3.50; Italian: 3.00-3.50; French: 2 2.60. Plums—Spanish: Red 3.00-4.50, Yellow 2.50-2.80. Apricots—Spanish: 2.30-3.00. Grapes—Victorian: Ohanez 23-lb 16.00; S. African: Barlinka 11.00. Strawberries—Per punnet, Italian: 0.15-0.17½; American: 0.80. Cherries—Per lb, French: 0.40-0.50; American: 0.80; Lebanese: 0.60; Italian: 0.45. Melons—Israeli: Galia 4.00-4.50; Spanish; Galia 5/6s 3.00-4.00, Ogen 3.50, Mariena 8 kilos 2.40; Israeli: Yellow 4.50-5.25; Spanish: Yellow 3.00-3.30. Water-melons—Israeli: 5.00; Spanish: 3.50-3.60. Avocados—S. African: 2.50-9.00. Bananas—Jamaican: 28-lb, per lb 0.12. Tomatoes—Dutch: 2.10-2.30; Guernsey: 1.80-2.40; Jersey: 2.00-2.20; Albanian: 1.50; Romanian: 1.80. Onions—Dutch: 6.20; Spanish: 5.50-8.00; Moroccan: 6.00. Potatoes—Cyprus: New crop 20-kg 4.20; Jersey: 3.55; Greek: 3.00. Carrots—French: 22-lb 2.30, 28-lb 3.20; Italian: 2.60. Beetroots—Cyprus: New crop, approx. 28-lb 2.80. Cabbages—Dutch: White 2.40-2.50. Courgettes—French: Per lb 0.30. Capsicums—Spanish: 3.00; Canary: 3.00-3.50; Dutch: 4.50.

English produce: Potatoes—Per bag 2.00-2.30. Mushrooms—Per lb 0.60-0.65. Apples—Per lb Bramley 0.11-0.15. Strawberries—English per ½-lb 0.10-0.15. Cabbages—Per bag 1.00-1.20. Cauliflowers—Per 12s English 1.00-2.50. Peas—Per lb 0.10-0.12. Broad beans—Per lb 0.07-0.08. Cucumbers—Trays 16/20s 1.60-1.80, prepack 1.80-2.00. Tomatoes—Per 12-lb 1.60-2.20. Lettuce—Per lb round 0.70-0.80, Cos 1.00, Webbs 1.20. Rhubarb—Per lb outdoor 0.06. Onions—Per bag 6.50-7.00. Celery—English 12/30s 2.50-4.00. Asparagus—Per lb 1.20. Gooseberries—Per lb 0.16-0.17.

AMERICAN MARKETS

NEW YORK, June 18.

THE STATEMENT by South Africa that they would be selling less gold in the world markets because of a favourable balance of payments led to a steady performance of gold, but the close was lower. Silver backed off moderately on steady liquidation. Livestock markets were mixed as demand appeared to falter. Copper rallied moderately on fears of a strike in the U.S. but finished lower. Brazilian sales to the USSR and the Continent weakened the cocoa market. Coffee still has not found any support and finished limit down. Cotton has been trading with minor gains most of the day. Wheat and soyabeans rallied while maize was mostly mixed because of heavy commercial spreading, reported Heinold.

Potatoes (round whites)—Nov 74.8 (74.6), March 80.0 (89.4), April 103.5-104.0. Sales: 367.

Sugar—No. 11: July 33.40-33.60 (32.68), Sept. 34.70-34.80 (34.19), Oct. 35.70-35.80, Jan. 36.95-37.00, March 37.30-37.50, May 39.78-36.80, July 35.76-35.90, Sept. 34.90, Oct. 34.60.

Tin—776.00-777.00 asked (773.00-772.00).

CHICAGO, June 18.

Lard—Chicago loose 17.50 (same). New York prime steam unavailable.

Chicago Imm Gold—June 595.0 (601.0), July 598.0 (604.0), Sept. 603.0-607.0, Oct. 611.0, Dec. 621.5-622.5, Jan. 628.0, March 638.5-636.5, April 643.5.

Live Cattle—June 69.10-69.15 (68.77), Aug. 67.50-67.35 (67.75), Oct. 65.70-65.55, Dec. 66.95-66.85, Jan. 67.70, Feb. 68.00, April 68.50-68.65.

Live Hogs—June 39.30 (37.80), July 38.80-38.45 (38.17), Aug. 37.65-37.90, Oct. 37.75-37.90, Dec. 40.75-40.80, Feb. 43.20, April 42.90, June 44.80, July 46.50.

‡‡Maize—July 280½-280¾ (279¼), Sept. 287-287½ (287¼), Dec. 293-293¼, March 305, May 312¼, July 317¾.

Pork Bellies—July 29.95-29.52 (30.35), Aug. 30.00-29.80 (30.40), Feb. 47.90-47.80, March 47.70-47.80, May 48.45, July 49.45, Aug. 48.80.

Silver—June 1530.0 (1590.0), July 1538.0 (1598.0), Aug. 1556.5, Oct. 1583.0, Dec. 1610.0, Feb. 1637.0, April 1664.0, June 1691.0, Aug. 1718.0, Oct. 1745.0, Dec. 1772.0, Feb. 1799.0, April 1826.0, June 1853.0, Aug. 1880.0, Oct. 1907.0.

†Soyabeans—July 633½-634½ (631½), Aug. 642-641½ (639¾), Sept. 651, Nov. 665¾-666, Jan. 680½, March 696, May 709, July 718½.

Soyabean Meal—July 172.8-173.0 (171.9), Aug. 176.2 (175.1), Sept. 179.1-179.2, Oct. 182.0, Dec. 189.9-187.2, Jan. 189.4, March 193.8-193.5, May 197.5-198.5, July 201.5, Aug.

Soyabean Oil — July 21.98-22.02 (21.01), Aug. 22.25-22.23 (22.14), Sept. 22.15-22.42, Oct. 22.70-22.65, Dec. 23.05-23.02, Jan. 23.20, March 23.50, May 23.75, July 24.00, Aug. 24.05-24.15.

†Wheat—July 408¼-408 (404¼), Sept. 419½-419 (415¾), Dec. 437, March 453, May 459½, July 462½.

WINNIPEG, June 18. §Barley—July 135.50 (137.80), Oct. 127.50 (127.50), Dec. 125.70, March 125.60, May 126.00.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, June 18.

Wheat—U.S. No. 2 Red Winter July $173.50, Aug. $177.50, Sept. $182.50. U.S. No. 2 Northern Spring, 14 per cent, June $199, July $196.75, Aug. $198, Sept. $199.75, Oct. $201.50, Nov. $205.50, Dec. $211. Rest unquoted.

Maize—Spot $146.50, afloat $142, July $138.75, Aug. $140.50, Sept. $141.50, Oct.-Dec. $145, Jan.-March $154, April-June $160.

Barley—June $144, July $146, Aug. $147.

Soyabeans—U.S. Two Yellow Gulfports spot $259, afloat $255.50, June $257, July $258.50, Aug. $262.50, Sept. $265.75, Oct. $270, Nov. $268.75, Dec. $275, Jan. $279.75, Feb. $284.75, March $287.75. Argentine afloat $252, June $253.50, July $253.50, Aug. $256, Sept. $260.50.

Soyameal—44 per cent protein U.S. afloat $214, June $215, July $216, Aug. $220, Sept. $223, Nov.-March $239. Brazil Pellets afloat $220, June $221, July $222, Aug. $226, Sept. $229, Oct. $237, Nov.-March $247.50.

PARIS, June 18.

Cocoa (FFr per 100 kilos)—July 1080, Sept. 1065-1074, Dec. 1090-1095, March 1120-1135, May 1130, July 1140. Sales at call 0.

Sugar (FFr per 100 kilos)—Aug. 3275-3280, Oct. 3435-3440, Nov. 3420, Dec. 3565-3575, March 3660-3710, May 3680, July 3690, Aug. 3700. Sales at call 0.

INDICES

FINANCIAL TIMES

Jun 17	Jun 16	M'nth ago	Year ago
264.51	264.88	270.40	296.65

(Base: July 1, 1952=100)

MOODY'S

Jun 17	June 16	M'nth ago	Year ago
1127.8	1144.0	1108.4	1094.8

(December 31, 1931=100)

DOW JONES

Dow Jones	June 17	June 16	Month ago	Year ago
Spot	427.64	428.07	426.47	414.15
F'tur's	438.87	442.38	457.25	424.90

(Average 1924-25-26=100)

REUTERS

June 18	June 17	M'nth ago	Year ago
1666.5	1665.2	1708.7	1628.6

(Base: September 18, 1931=100)

Leaders revive after fresh show of strength in Gilts

30-share index up 4.1 more at 473.1, after 463.8

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7
June 30	July 10	July 11	July 21

* "New time" dealings may take place from 9 am two business days earlier.

Another strong performance by Gilt-edged securities accompanied by speculation about a reduction today in Minimum Lending Rate provided the main feature in stock markets yesterday. The fresh advance in Gilts encouraged a noticeable revival in the industrial leaders which had turned decidedly easier at the opening.

Further investment demand, mainly from overseas, for Gilt-edged met with a ready response and medium and long-dated stocks were soon showing gains extending to well over a point. Profit-taking in the afternoon reduced the rises by about ½ and closing gains ranged to 1¼. The recently exhausted medium tap, Exchequer 13¼ per cent 1994, touched 44 before settling at 43½. Conditions were extremely active, but domestic interest was mainly confined to professional trading. Helped by easier conditions in money markets, short-dated issues turned distinctly better and, after a brisk business, closed with gains extending to ½. The Government Securities index rose 0.50 more to a 1980 peak of 70.39 which is up 10.2 per cent from the March 7 low for the year.

Lack of renewed investment incentive prompted dealers to mark the industrial leaders lower, but fresh institutional buying developed in the wake of the continuing boom in Gilts and early losses were soon reduced. Thereafter, buyers continued to predominate and the FT 30-share index, down 5.2 at the 10.00 am calculation, rallied strongly and closed 4.1 higher on balance at 473.1 to extend the advance to 60.4 over the past 12 trading days.

Discounts up again

Features were less numerous elsewhere in equities, but annual results and the accompanying statement from Tesco created considerable interest. Among the sectors, Merchant Banks continued to demand with the help of favourable Press mention.

A fresh upsurge in gilts fuelled a further improvement in Discount Houses which closed with gains ranging to 10. Allen Harvey and Ross added that much to 350p as did Cater Ryder, to 340p, while Gillett Bros. hardened 7 to 190p. Merchant banks came in for renewed support following Press comment; Minster Assets were particularly favoured at 48p, up 4, while Kleinwort Benson gained 7 to 172p and Schroders rose a similar amount to 255p. Arbuthnot Latham, on the other hand, declined 4 to 203p ahead of today's preliminary results. Firm conditions prevailed in the major clearing banks but the volume of trade contracted. Midland and NatWest added 4 to the common level of 380p and Barclays hardened the turn to 408p.

Insurances trended to higher levels. Royals advanced 6 to 373p and Eagle Star 4 to 201p, the latter being helped by a broker's circular. Among Lloyds brokers, C. E. Heath initially eased to 197p then rallied to finish a net 2 higher on balance at 202p.

Breweries continued to make progress on steady buying with regional issues closing with gains ranging to 5.

Quietly firm conditions prevailed in Buildings with Blue Circle adding 4 to 353p, Redland 3 to 171p, and Taylor Woodrow 5 to a 1980 peak of 393p. Timbers featured Brownlee which put on 7 to 94p in response to the excellent preliminary results and proposed 50 per cent scrip issue. In contrast, Montague L. Meyer eased 3 more to 100p. Elsewhere, Mowlem, 100p, and Higgs and Hill, 57p, both added a couple of pence, while Wilson (Connolly) firmed 3 to 102p, the last-named in a thin market. Stanley Miller gained 2 to 11½p as speculative interest revived, while rises of 5 were seen in Marshalls (Halifax), 178p, and William Whittingham, 112p. P. C. Henderson "A" rose 10 for a two-day gain of 42 to 185p as speculative buying continued.

Easier at the outset as buyers held off, ICI regained the overnight level of 386p on occasional demand. Fisons firmed 5 to 270p.

Grattan good

A shade easier at the outset, Stores attracted scattered support and closed with gains to 10. British Home rose that much to 306p, still buoyed by the scrip and rights issues, while Marks and Spencer, 97p, and Burton, 126p, both added 3. Anticipating a victory over Lonrho at today's annual meeting, House of Fraser also improved 3, to 135p. Mail-orders attracted fresh support and GUS "A" jumped 10 to 432p. Grattan, 68p, firmed 6 following boardroom appointments, while Empire hardened 4 to 152p. Higher interim profits were good for 4 on Bakers Household Stores, 90p, and 3 on Ernest Jones (Jewellers), 108p.

Uncertainty about the future of the NEB's stake in the company together with profit-taking in front of Tuesday's preliminary results left Ferranti 12 lower at 538p. Other Electricals usually trended to higher levels. Thorn-EMI improved 6 at 300p, while GEC added 2 to a 1980 high of 391p. STC continued to benefit from the chairman's optimistic statement last week and picked up 7 more to 343p, but adverse comment clipped a couple of pence from Fidelity Radio, 36p. Sound Diffusion fell to 49p in immediate response to the halved full-year earnings, but support at this level left the close a net 3 better at 57p. Among more speculative issues, interest was shown in Quest Automation, 157p, and Emess Lighting, 143p, up 15 and 9 respectively, while Kode International added 5 to 238p.

Westland stood out in Engineerings with a jump of 14 to 94p in response to the sharply increased first-half profits and the encouraging statement on second-half prospects. S. and W. Farmer were wanted at 144p, up 6, while R. Cartwright, 69p, and Spirax Sarco, 152p, rose 5 apiece. Braithwaite added 4 to 72p. Among the leaders, GKN, 260p, and Tubes, 282p, gained 5 apiece. Hawker encountered profit-taking ahead of the annual meeting and dipped to 194p before rallying late on the chairman's encouraging remarks to close unchanged at 200p.

Interest in Foods increased as the session wore on and the final tone was fully firm. Rowntree Mackintosh stood out, at 166p, up 6, while, among Supermarkets, J. Sainsbury rose 5 afresh to 390p and Kwik Save put on 4 to 102p. Tesco held at 59p, the chairman's confident remarks outweighing the annual profits setback. Nurdin and Peacock added 3 to 141p following the chairman's optimistic statement at the annual meeting. Elsewhere, speculative support lifted Alpine Soft Drinks 9 to 98p and Watson and Philip 5 to 40p. Hazelwood's firmed 10 for a two-day gain of 17 to 96p in response to the higher preliminary profits and £1m rights issue proposal.

Johnson Matthey up

Easier at the outset, the miscellaneous industrial leaders picked up in sympathy with firm gilts to close with fresh improvements. Pilkington closed 5 better at 237p in the wake of the previous day's swift placing of BSN-Gervais Danone's 7.1 per cent stage (11.9m shares) in the group with various institutions at 215p per share. Boots also added 5, to 217p, while Turner and Newall firmed 3 to 110p as did Unilever, to 465p. Elsewhere, Johnson Matthey became a late firm feature, rising 15 to 303p in the late trade following the sharply increased dividend and profits and the proposed 100 per cent scrip issue. Bid hopes lifted Sharna Ware a further 8 to 180p, while European Ferries put on 3½ to 164p in response to Press comment. Pauls and Whites hardened 2 to 127p awaiting today's preliminary results, and renewed buying on recovery hopes lifted Lesney 2 more to 19p. News that the much-contested bid from T. Cowie had become unconditioned depressed George Ewer which fell 5½ to 51p, while Dundonian declined 4 to 69p, after 67p, on a sell recommendation. Downs Surgical gave up 4 to 29p on disappointing results and National Carbonising lost a like amount to 128p on renewed profit-taking in the wake of the good results.

Anglia TV A rose 6 to 82p in response to the good interim results.

A Government report predicting a deep, widespread and prolonged recession in the property and property development industry unsettled the sector at first, but prices subsequently recovered as buyers appeared at the lower levels which left Land Securities a penny firmer on balance at 330p, after 326p, and MEPC a couple of pence to the good at 220p, after 215p. Capital and Counties were subjected to a fair amount of speculative interest and touched 124p before settling at 120p for a net gain of 4. Samuel also added 4 to 135p, while Stock Conversion closed 6 dearer at 428p. Elsewhere, Reliable were notable for a gain of 5 at 82p, but Bardford shed 6 to 180p, after 176p, on the disappointing annual results.

Oils irregular

The Oil sector displayed irregular movements as recent enthusiasm waned. British Petroleum eased 6 to 372p, but Shell, after having slipped to 402p, regained the overnight level of 406p. Outside of the leaders, Lasmo added 10 to 695p, while Ultramar hardened 4 to 382p and Burmah 3 to 231p. Silkolene, a rising market of late on an investment recommendation, relinquished 12 to 198p on profit-taking. Berkeley Exploration, also recently firm, shed a like amount to 208p.

The high level of Stock Exchange turnover continued to bolster Akroyd and Smithers, up 10 for a two-day gain of 19 at 291p. Mercantile House eased a couple of pence to 258p; the annual results are due on Wednesday. S. Pearson added 6 more to 234 but, on the sharp setback in mid-term profits, Robert Kitchen Taylor fell 15 to 125p.

Among generally firmer Textiles, Allied, 96p, and David Dixon, 104p both added 4, the latter for a two-day gain of 19. Shiloh Spinners hardened a couple of pence to 25p following the chairman's remarks at the annual meeting. Still depressed by the prospects of a loss at the half-way stage, Albert Martin eased 5 to 33p.

Good support was seen for Tobaccos. Bats Deferred added 7 to 270p, while Imperial firmed 2 to 84p.

Golds edge higher

South African mining issues put on a good performance despite the recent outbreak of civil unrest in Cape Town.

The market opened on a steady note and thereafter edged higher, buoyed by the firmer bullion price, which closed $13 better at $604.50 an ounce.

Buying demand was described as modest but persistent with the majority of orders reported to have emanated from Johannesburg.

Rises ranging to ¾ in the heavyweights such as Hartebeest, £30¼, and St. Helena, £15¼, and to 16 in the cheaper-priced issues like Blyvoor, 772p, lifted the Gold Mines index by 2.9 to 331.4.

Financials fared equally well. Anglo American Corporation were prominent and finally 15 firmer at 560p, after 565p.

London Financials made good progress with the exception of Rio Tinto-Zinc, which slipped 2 to 396p on renewed profit-taking. Selection Trust touched 712p on vague bid rumours before reacting to profit-taking to close a net 22 higher at 704p.

Australians generally moved up respite the uncertain trend in overnight Sydney and Melbourne markets. Golds were favoured in the wake of the bullion price.

In the exploration stocks, Otter were outstanding with a gain of 10 at 92p.

Gold Mines of Kalgoorlie added 6 to 372p and North Kalgurli 4 to 84p.

The energy sector met good support which left Central Pacific Minerals ½ up at £29½ and Southern Pacific ½ firmer at £11½.

Tins were mixed. Profit-taking left Southern Kinta 40 lower at 310p and Malayan Tin 25 down at 775p. Reorganisation hopes were reflected in a demand for Berjuntai, 10 up at 205p, and Sungei Besi, 20 ahead at 305p.

Geevor Tin put on 5 to 175p despite news that miners have been on strike since Monday.

FINANCIAL TIMES STOCK INDICES

	June 18	June 17	June 16	June 13	June 12	June 11	A year ago
Government Secs.	70.39	69.89	69.59	68.41	68.26	68.05	70.88
Fixed Interest	70.64	70.11	69.70	68.99	68.81	68.54	72.81
Industrial	473.1	469.0	467.6	456.5	448.5	446.9	469.1
Gold Mines	331.4	328.5	333.2	340.9	339.0	327.4	189.2
Ord. Div. Yield	7.58	7.64	7.66	7.87	8.00	8.05	5.97
Earnings Yld. % (full)	18.27	18.42	18.46	18.97	19.28	19.34	16.41
P/E Ratio (net) (*)	6.66	6.61	6.59	6.42	6.31	6.29	7.97
Total bargains	28,475	26,446	26,736	21,642	21,166	18,808	[illegible]
Equity turnover £m	—	172.31	144.93	132.28	126.13	95.89	86.85
Equity bargains total	—	19,937	19,004	17,256	16,925	14,017	10,988

10 am 463.8. 11 am 465.1. Noon 467.7. 1 pm 469.1. 2 pm 470.8. 3 pm 471.2.

Latest Index 01-246 8026.

*Nil=6.23.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.39 (18/6)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	70.64 (18/6)	64.70 (18/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (18/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	677.9 (28/2)	265.5 (16/5)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 18	June 17
Daily		
Gilt Edged	138.7	178.5
Industrials	158.8	165.5
Speculative	33.9	35.9
Totals	97.7	115.6
5-day Avrge.		
Gilt Edged	138.6	135.8
Industrials	135.2	135.2
Speculative	37.2	39.8
Totals	96.4	94.5

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (206)

BRITISH FUNDS (46)
CORPORATION LOANS (11)
COMMONWLTH. & AFRICAN LOANS (2)
LOANS (4)
FOREIGN BONDS (1)
AMERICANS (1)
BANKS (8)
BEERS (3)
BUILDINGS (7)
CHEMICALS (1)
DRAPERY & STORES (6)
ELECTRICALS (12)
ENGINEERING (9)
FOODS (4)
HOTELS (3)
INDUSTRIALS (20)
INSURANCE (11)
LEISURE (2)
MOTORS (1)
PROPERTY (14)
SHIPPING (3)
TEXTILES (1)
TOBACCOS (2)
TRUSTS (27)
OIL & GAS (2)
OVERSEAS TRADERS (1)
MINES (4)

NEW LOWS (16)

STORES (2)
Home Charm — Wharf Mill
ENGINEERING (3)
Meggitt — Williams & James
Startrite
INDUSTRIALS (5)
Bridgend Processes — Jentique
Centreway — Leadenhall Sterling
Highgate & Job
MOTORS (1)
Arlington Motor
PROPERTY (1)
Hartley Ind. Trust
SHOES (1)
Newbold & Burton
TEXTILES (1)
Martin (A.)
MINES (2)
Rhodesian Corp. — Hemerdon

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	81	2	6
Corpns. Dom. and Foreign Bonds	32	6	28
Industrials	363	167	876
Financial and Prop.	190	53	268
Oils	10	23	19
Plantations	4	—	22
Mines	53	31	73
Others	46	42	64
Totals	769	324	1,345

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979, based on Tuesday, June 17.

Hire Purchase	+31.70	Other Groups	+16.22
Merchant Banks	+31.49	Consumer Goods (Durable) Group	+16.11
Insurance (Life)	+29.98	500-Share Index	+15.79
Property	+28.86	Industrial Group	+14.99
Shipping	+27.29	Chemicals	+14.38
Electronics, Radio and TV	+25.71	Consumer Goods (Non-Durable) Group	+14.14
Building Materials	+24.68	Newspapers and Publishing	+13.93
Investment Trusts	+22.80	Contracting and Construction	+13.76
Gold Mines FT	+22.30	Breweries	+12.94
Entertainment and Catering	+21.77	Metal and Metal Forming	+12.77
Mining Finance	+21.07	Pharmaceutical Products	+12.18
Electricals	+20.41	Mechanical Engineering	+11.87
Discount Houses	+20.33	Food Retailing	+11.28
Financial Group	+19.71	Tobaccos	+10.14
Oils	+18.77	Banks	+10.03
Overseas Traders	+18.02	Office Equipment	+ 6.62
Insurance Brokers	+17.91	Food Manufacturing	+ 6.31
Stores	+17.54	Wines and Spirits	+ 5.85
Capital Goods Group	+17.05	Engineering Contractors	+ 5.40
All-Share Index	+17.04	Textiles	+ 5.34
Packaging and Paper	+16.97	Motors and Distributors	− 1.39
Insurance (Composite)	+16.44	Household Goods	− 14.90
		Toys and Games	− 45.30

LONDON TRADED OPTIONS

Option	Exercise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	330	52	20	68	—	85	—	373p
BP	360	88	—	48	11	64	—	"
BP	390	10	1	27	11	40	—	"
Com. Union	130	20	—	24	2	32	—	148p
Com. Union	140	10	56	15	21	21	—	"
[illegible]								

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., June 18, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., June 17 Index No.	Mon., June 16 Index No.	Fri., June 13 Index No.	Thur., June 12 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	251.40	+0.6	17.53	6.36	7.00	249.80	247.52	240.80	238.18	247.89
2	Building Materials (28)	249.24	+0.9	18.00	6.59	6.59	247.10	244.90	237.02	236.91	230.12
3	Contracting, Construction (27)	369.83	+0.1	25.29	6.54	4.74	369.41	366.82	351.69	347.79	365.61
4	Electricals (16)	664.27	+0.4	12.46	3.67	10.42	661.84	655.14	636.07	631.61	590.64
5	Engineering Contractors (11)	303.70	+0.2	22.36	8.53	5.61	303.22	299.54	289.94	289.32	360.33
6	Mechanical Engineering (74)	168.41	+0.5	19.11	7.86	6.41	167.56	166.23	161.61	159.55	188.21
8	Metals and Metal Forming (16)	166.45	+1.9	20.87	9.83	5.75	163.40	161.79	157.36	155.71	169.93
	CONSUMER GOODS										
11	(DURABLE) (49)	222.08	+0.5	14.77	5.74	8.29	221.07	219.90	213.67	210.29	233.89
12	Lt. Electronics, Radio, TV (14)	326.38	+0.6	11.17	4.10	11.45	324.54	323.20	314.00	307.59	317.77
13	Household Goods (14)	99.11	+0.1	29.83	10.67	3.99	99.06	98.53	96.41	95.53	162.66
14	Motors and Distributors (21)	102.38	+0.2	22.57	9.70	5.14	102.18	101.27	98.30	97.98	120.83
	CONSUMER GOODS										
21	(NON DURABLES) (172)	233.51	+1.5	17.76	6.84	6.79	230.11	229.87	224.33	222.03	238.48
22	Breweries (14)	293.39	+1.7	15.01	6.19	7.86	288.58	290.58	284.29	282.33	275.02
23	Wines and Spirits (5)	308.50	−0.6	17.66	6.06	6.98	310.28	309.10	302.27	300.29	305.72
24	Entertainment, Catering (17)	338.25	+1.6	17.07	6.59	7.26	333.00	333.53	320.43	315.52	310.07
25	Food Manufacturers (21)	203.40	+0.6	19.75	7.34	5.96	202.18	202.67	197.07	195.72	218.05
26	Food Retailing (13)	330.94	+1.1	12.86	4.68	9.21	327.24	331.18	323.96	322.16	297.14
32	Newspapers, Publishing (13)	439.26	+0.4	21.74	6.66	6.21	437.71	437.29	437.40	435.61	433.99
33	Packaging and Paper (15)	135.09	+0.2	26.54	9.23	4.36	134.81	134.51	132.84	130.67	132.86
34	Stores (42)	229.86	+2.3	13.42	5.36	9.58	224.70	223.43	217.53	214.82	241.74
35	Textiles (24)	132.78	+0.4	24.86	11.69	4.89	132.27	129.00	123.57	123.04	168.52
36	Tobaccos (3)	225.66	+3.0	27.03	10.26	4.19	219.14	218.64	217.57	214.09	244.23
37	Toys and Games (5)	26.83	+3.1	45.32	14.21	2.56	26.03	25.08	26.23	26.23	75.59
41	OTHER GROUPS (99)	217.85	+0.1	17.11	7.05	6.94	217.54	216.65	211.08	208.98	206.46
42	Chemicals (16)	317.43	−0.1	19.75	7.58	5.81	317.65	316.92	308.58	304.61	293.22
43	Pharmaceutical Products (7)	217.87	+0.1	11.76	6.34	10.47	217.62	218.24	213.50	208.37	220.93
44	Office Equipment (6)	110.44	−0.2	19.72	7.51	5.80	110.64	110.63	109.69	109.11	125.69
45	Shipping (10)	542.53	+0.5	13.52	6.51	8.95	539.84	536.33	523.39	525.38	464.80
46	Miscellaneous (60)	262.70	+0.3	17.30	6.90	7.09	261.79	259.37	251.56	250.61	243.61
49	INDUSTRIAL GROUP (492)	240.90	+0.9	17.34	6.69	6.97	238.83	237.83	231.56	229.27	240.04
51	Oils (8)	820.89	−0.7	28.10	6.27	3.93	827.08	832.94	815.74	810.62	654.39
59	500 SHARE INDEX	286.66	+0.5	19.66	6.60	5.97	285.20	284.71	277.56	275.03	273.58
61	FINANCIAL GROUP (118)	219.71	+0.6	—	5.72	—	218.30	216.28	210.66	207.43	192.56
62	Banks (6)	243.90	+0.6	40.10	6.67	3.06	242.44	240.31	230.66	226.91	236.04
63	Discount Houses (10)	266.23	+0.9	—	6.63	—	263.88	254.45	254.45	251.71	250.09
64	Hire Purchase (5)	217.13	−0.3	14.39	4.62	9.02	217.74	215.64	209.91	210.28	165.78
65	Insurance (Life) (10)	203.03	−0.1	—	6.27	—	203.27	203.50	198.65	198.35	161.13
66	Insurance (Composite) (9)	143.90	+1.4	—	7.48	—	141.98	139.32	133.92	132.20	126.56
67	Insurance Brokers (9)	316.98	+0.5	14.65	7.22	9.38	315.47	314.40	306.01	300.95	275.24
68	Merchant Banks (13)	119.79	+1.5	—	5.56	—	118.01	116.13	110.62	109.65	98.13
69	Property (45)	410.09	+0.5	3.32	2.82	42.73	408.14	406.81	401.14	394.06	339.18
70	Miscellaneous (11)	134.95	+0.4	16.28	6.47	7.80	134.39	131.60	129.57	129.81	122.45
71	Investment Trusts (109)	237.38	+0.6	—	5.81	—	236.08	236.25	229.06	228.70	213.44
81	Mining Finance (4)	196.96	+0.5	13.50	5.01	8.98	196.08	197.07	197.35	195.21	129.47
91	Overseas Traders (19)	393.52	+0.3	13.22	6.89	9.33	392.28	391.40	385.24	383.19	359.45
99	ALL-SHARE INDEX (750)	270.39	+0.5	—	6.36	—	268.95	268.14	261.47	259.04	250.94

FIXED INTEREST PRICE INDICES

	British Government	Wed., June 18	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	105.77	+0.32	—	4.99
2	5-15 years	112.20	+1.00	0.45	6.63
3	Over 15 years	116.27	+0.98	0.68	7.28
4	Irredeemables	133.62	+0.67	—	6.27
5	All stocks	111.06	+0.76	0.37	6.21

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., June 18	Tues., June 17	Year ago (approx.)
1	Low Coupons	5 years	11.69	11.81	10.52
2		15 years	11.69	11.81	11.09
3		25 years	11.69	11.81	11.62
4	Medium Coupons	5 years	13.02	13.19	12.21
5		15 years	13.30	13.26	12.62
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Wed., June 18 Index No.	Yield %	Tues. June 17	Mon. June 16	Fri. June 13	Thur. June 12	Wed. June 11	Tues. June 10	Mon. June 9	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	52.56	14.09	52.43	52.14	51.88	51.87	51.80	51.54	51.47	57.00
16	Investment Trust Prefs. (15)	48.42	14.00	48.42	48.38	48.09	48.09	47.88	47.88	47.88	48.88
17	Coml. and Indl. Prefs. (20)	63.58	14.15	63.44	63.10	63.18	63.10	61.01	61.01	61.88	69.10

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Land Secs. "New"	Nil/pd.	10	70pm	—	70pm	44pm
Barclays Bank	£1	9	408	+ 1	408	327
ICI	£1	9	386	—	402	348
Boots	25p	8	217	+ 5	217	158
BP	25p	8	372	− 6	412	320
Marks & Spencer	25p	8	97	+ 3	97	77
Shell Transport	25p	8	406	—	410	314
Beecham	25p	7	139	+ 1	139	108
European Ferries	25p	7	164	+ 3½	164	98
Midland Bank	£1	7	380	+ 4	383	308
NatWest Bank	£1	7	380	+ 4	380	305
Racal Electronics	25p	7	265	+ 2	265	175
Grand Met.	50p	6	156	+ 3	156	120
GUS "A"	25p	6	432	+10	432	340
P & O Defd.	£1	6	119	− 1	125	105

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6
Jul. 7	Jul. 18	Oct. 9	Oct. 20

For rate indications see end of Share Information Service

Call options were arranged in Endeavour, Dunlop, Silvermines, RCF, Grand Metropolitan, Burton Warrants, Woodside, A. Monk, Richmans, GEC, Chloride, ICI, Thorn-EMI, Beecham, Marks and Spencer, BOC, Selection Trust and Royal Insurance. Puts were done in ICI, Tricentrol, Berkeley Exploration and Premier Oil while doubles were completed in Lonrho, Silvermines, Rugby Portland Cement, Brengreen, Howard Machinery and Commercial Union.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times Covered	Gross Yield	P/E Ratio
85	F.P.	16/5	93	82	Amstrad Cons. Elect.	87	−1	bd3.5	3.0	5.4	6.9
[illegible]											

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Sterling Bond Fd. 48.3 50.7 +0.9 —
Sterling Equity Fd. 58.2 61.0 +1.3 —

Surinvest Trust Managers Ltd.
48, Athol Street, Douglas, Isle of Man. 0624 23914
The Coin Trust 106.0 111.6 — —

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Amer. Gth. Tst.	49.0	52.7	-0.2	1.90
Abbey Capital	38.7	41.8	+0.2	6.02
Abbey General	50.2	53.7	+0.2	5.90

Emson & Dudley Tst. Mngmt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	74.1	79.7	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	79.1	83.2	+0.5	5.07

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	24.3	25.8	.....	1.00
Fixed Interest	25.4	26.9	+0.1	12.81
Growth + Income	30.9	32.7	+0.2	7.67
Special Sits.	30.8	32.6	.....	2.88

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	29.2	31.4	+0.4	2.77

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	67.2	70.7	.....	5.01

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income June 9	101.6	107.0	.....	9.67
General June 9	68.6	72.3	.....	6.70
Intnl. June 9	47.9	50.5	.....	3.36

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Mrc. Gen. June 18	58.3	62.0	.....	5.84
Acc. Uts. June 18	81.2	86.4	.....	5.84
Mer. Int. June 18	77.3	82.2	.....	4.08
Acc. Uts. June 18	86.7	92.2	.....	4.08

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Prices at June 12. Next sub. day June 18.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	US$58.39	60.20	-0.48	8.92

Central Assets	£169.01	169.10	+0.09	—

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	+ or −	Int.	Red.
160	107	Sth. Rhod. 2½pc '65-70	150	−6	—	—
169	133	Do. 6pc '78-81	167	−1	—	—

LOANS

Public Board and Ind.

High	Low	Stock	Price	+ or −	Int.	Red.
61¾	56½	Agric. Mt. 5pc '59-89	61¾xd	+¼	8.07	12.00
80	73½	Alcan 10½pc '89-94	78xd	+1½	13.46	14.20
28½	25	Met. Wtr. 3pc 'B'	28½	+¼	10.85	12.91
103	89	U.S.M.C. 9pc 1982	101½xd	......	8.87	—
92	85½	Do. without Warrants	89xd	......	10.11	13.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
250	183	Alexanders D. £1	250	+2	16.0	—	9.1	—
£76½	£56	Algemene Fl.100	£65	+¼	Q25%	1.9	7.7	7.0
365	290	Allen Harvey £1	350	+10	21.5	—	8.8	—
128	96	Allied Irish	110	......	Q8.93	—	7.9	—
17	13	Ansbacher (H.) 5p	15	+¼	0.15	—	1.4	—
235	180	Arbuthnot L. £1	203	−4	†10.42	—	7.3	—
360	290	Bk. Ireland £1	295	......	Q23.51	—	7.7	—
£162	£134	Do. 10pc Conv.	£138	......	Q10%	—	†7.4	—
*8	5	Bk. Leumi $0.1	6	......	gQ11.4%	—	22.1	—
120	100	Bk. Leumi (UK) £1	120	......	8.57	—	10.7	—
178	135	Bk. N.S.W. $A1	141xd	......	Q16c	ϕ	5.8	ϕ
305	235	Bank Scotland £1	273	......	15.0	5.1	7.8	3.4
£22⅞	£16¼	Bankers N.Y. $10	£22¼	−¼	Q$3.30	—	6.7	—

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1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	160	.....	—	—	—
97	56	Barymin	58	−2	—	—	—
17	12	Burma Mines 10p	15	−½	0.62	1.1	6.0
502	320	Cons. Murch. 10c.	320	.....	hQ100c	1.8	18.6
180	128	††Hemerdon 10c.	128	−4	—	—	—
585	325	Northgate C$1	390	.....	—	—	—
485	327	R.T.Z.	396	−2	15.0	3.2	5.4
33	16	Robert Mines	23	.....	—	—	—
58	26	Sabina Inds. C$1.	30	.....	—	—	—
51	44	††SWCM 10p	51	.....	—	—	—
650	411	Tara Exptn. $1	460	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	29	.....	Conv. 9% '80/82	[illegible]	+⅛
Bertam	17	.....	Nat. 9¾% 84/89	£79¾	.....
Bdg'wtr. Est. 50p	420	.....	Fin. 13% 97/02	£89¾	+¼
Clover Croft	60	.....	Alliance Gas	45	.....
Craig & Rose £1	£10½	.....	Arnott	360	.....
Fife Forge	32½	.....	Carroll (P.J.)	57xd	.....
Finlay Pkg. 5p	18	.....	Clondalkin	125	.....
Graig Ship. £1	£15	.....	Concrete Prods.	75	.....
Higsons Brew	75	.....	Helton (Hldgs.)	33	.....
Holt (Jos) 25p	250	.....	Ins. Corp.	245	.....
I.O.M. Stm. £1	187	.....	Irish Ropes	55	.....
Pearce (C.H.)	455	.....	Jacob	35	.....
Peel Mills	40	.....	T.M.G.	85	+5
Sheff. Refrshmt	103	.....	Unidare	95	.....
Sindall (Wm.)	143	.....			

OPTIONS
3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	13	*Property*	
Barclays Bank	34	Legal & Gen.	13	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	13	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	*Oils*	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Sears	5		
Grand Met.	12	Tesco	6	*Mines*	
G.U.S. 'A'	34	Thorn	23	Charter Cons.	14
Guardian	23	Trust Houses	12	Cons. Gold	40
G.K.N.	20	Tube Invest.	23	Lonrho	8
Hawker Sidd	15	Unilever	40	Rio T. Zinc	35
House of Fraser	15	U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Thursday June 19 1980

Group to buy back £5m toy companies

BY ANDREW FISHER

MR. RICHARD BEECHAM, former joint managing director of the collapsed Dunbee-Combex-Marx toy group, has joined up with a group of British and Continental investors to buy a major part of its UK business from the receiver.

The proposed deal, believed to be worth well over £5m, covers the Pedigree Dolls and Toys subsidiary and Combex, which makes small children's games and vehicles, as well as the Bjorn Borg garden tennis set.

Still to be decided, however, is the future of Hornby, whose products include car racing sets and trains.

"We are addressing ourselves to this," said Mr. Beecham, who declined to elaborate. "It is the most expensive company in the group."

He gave no figure for the Pedigree and Combex purchase, but said the consortium included banking interests and industrialists. The agreement is the first involving the main UK toy assets of Dunbee, whose failure this year stemmed mainly from its U.S. ventures.

Pedigree and Combex now employ around 800 people, and Mr. Beecham said no more redundancies were expected. He will take part in the consortium as a minority shareholder, he added.

Interest in buying the companies from the receiver, Mr. Paul Shewell of accountants Coopers and Lybrand, had been considerable, he said. "We are paying a high top price."

Mr. Beecham said production at Pedigree, which has a factory in Canterbury, Kent, and at Combex, in Peterborough, Cambs., had been continuing during Dunbee's troubles and would be stepped up.

Kitchenware jobs to go

JUDGE INTERNATIONAL, of Brierly Hill, West Midlands, is to make 58 workers redundant. It blames a slump in business.

The cuts, at staff and shop-floor level, will mainly affect the moulding side of the business. The company makes kitchenware.

Fodens starts 3-day week

FODENS, the Sandbach South Cheshire-based truck company, is to put its workers on a three-day week from Monday. About 2,000 people, the total hourly paid workforce, are affected by the move, which is blamed on a worldwide slump in the motor industry. The company has been on a four-day week for the past month.

Weather

UK TODAY

RATHER CLOUDY with bright intervals and scattered showers. Temperatures normal.

London, S.E. and N. England, the Midlands, E. Anglia

Cloudy with rain in places, becoming brighter. Max. 20C (68F).

W. England, Wales, S. Scotland, Highlands, N. Ireland

Sunny intervals with scattered showers. Wind fresh. Max. 17C (63F).

N. Scotland

Cloudy with periods of rain. Strong or gale force winds. S.E. veering S.W. Max. 12C (54F).

Outlook: Changeable. Rather cool and windy.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	22	72	Lisbon	S	24	75
Algiers	S	27	81	Locarno	C	22	72
Amsdm.	F	18	64	London	F	19	66
Athens	S	26	79	Luxmbg.	C	15	59
Bahrain	S	35	95	Luxor	S	39	102
Barclna.	F	22	72	Madrid	S	27	81
Beirut	S	26	79	Majorca	F	25	77
Belfast	R	13	55	Malaga	S	25	77
Belgrd.	S	27	81	Malta	S	30	86
Berlin	R	14	57	Mchstr.	F	17	63
Biarritz	F	18	64	Melbne.	R	15	59
Bmghm.	F	17	63	Milan	F	23	73
Blackp'l	F	17	63	M'ntreal	C	20	68
Bordx.	C	16	61	Moscow	F	23	73
Boulgn.	F	15	59	Munich	F	17	63
Bristol	F	17	63	Nairobi	S	23	74
Brussels	C	16	61	Naples	F	23	73
B. Aires	C	15	59	Nwcstl.	C	18	64
Cairo	S	35	95	N. York	S	22	72
Cardiff	C	17	63	Nice	S	22	72
Casbca.	C	22	72	Oporto	F	20	68
Cape T.	C	18	64	Oslo	F	20	68
Chicago	C	22	72	Paris	F	18	64
Cologne	C	16	61	Perth	S	19	66
Cpnhgn.	R	15	59	Prague	C	17	63
Corfu	S	25	77	Reykjvk.	R	10	50
Dublin	R	15	59	Rhodes	S	27	81
Dbrvnk.	F	23	73	Rio J'o	S	23	73
Ednbgh.	F	18	64	Rome	F	24	75
Faro	S	29	84	Salzbrg.	C	16	61
Florence	C	23	73	Singapr.	S	30	87
Frankf't	F	17	63	Stckhm.	C	20	68
Funchal	F	21	70	Strasb'g	R	15	59
Geneva	R	17	63	Sydney	C	17	63
Gibrltr.	S	21	70	Tangier	S	23	73
Glasgow	C	16	61	Tehran	S	25	78
G'nsey	Fg	13	55	Tel Aviv	S	26	79
Helsinki	S	24	75	Tenerife	F	18	64
H. Kong	S	33	91	Tokyo	R	28	82
Innsbr'k	R	15	59	Toronto	S	22	72
Invrnss.	C	18	64	Tunis	S	31	88
I.o Man	F	13	55	Valencia	F	26	79
Istanbul	F	24	75	Venice	C	21	70
Jersey	C	13	55	Warsaw	F	20	68
Jo'burg	S	12	54	Zurich	F	16	61
L. Plms.	F	23	73				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

RCA president goes after six months

BY IAN HARGREAVES IN NEW YORK

MR. MAURICE VALENTE, one of the top executives in U.S. business and heir apparent to the chairmanship of the huge RCA conglomerate, was unceremoniously kicked out of his job as company president yesterday because his performance was regarded as not good enough.

Mr. Valente, 50, joined RCA only in January after a long career with the International Telephone and Telegraph Corporation. He was head of ITT in Europe from 1974 to 1978.

It was assumed at the time of the appointment, which carried a remuneration package of $400,000 a year, that he would understudy Mr. Edgar Griffiths, RCA's powerful chairman, in preparation for taking over from Mr. Griffiths, 58, some time in the next few years.

Instead, Mr. Valente's career with RCA ended with this characteristically blunt statement from Mr. Griffiths: "It was the Board's unanimous decision that Valente's performance over nearly six months did not meet expectations in terms of the company's long-range needs and objectives.

"It was decided that the creation of an office of the chairman would give RCA a more flexible management structure with a greater depth of operating and staff experience at the senior level."

Mr. Griffiths added that the resignation did not relate to the company's current performance, noting that RCA had had three consecutive years of record earnings, and "continues to perform well in today's difficult economic climate."

What the RCA board had decided, in effect, is to scrap the presidency and replace it with a team of five executive vice-presidents, three of them close to retirement and two the bright career RCA men to whom the company looks eventually for a leader.

One of the two younger men is Mr. Frank Olson, not yet 50, who has been responsible for the Hertz car and truck rental business.

He will take over responsibility for the CIT financial corporation, which RCA bought for $1.35bn last year. He will oversee a miscellany of other RCA operations in food and other areas.

Mr. Roy Pollack, 52, head of the company's electronics activities and responsible for the critical launch of RCA's videodisc player system next year, takes complete responsibility for RCA's electrical and electronics activities, including colour television and micro-electronics.

The other members of the office of chairman will be Mr. William Hittinger, 57, who heads the company's technical and research activities; Mr. Julius Koppelman, a highly-regarded director aged 63 who has apparently delayed retirement plans; and Mr. George Fuchs, head of industrial relations.

Although RCA has experienced steady sales and profits improvement in the last few years, earning $278m last year on sales of $7.45bn, it has a number of problems.

It has invested heavily in a videodisc system which it must market next year in the face of fierce international competition; its television business is under fierce pressure from foreign competition made worse by the recession; and its NBC Television subsidiary is still struggling to lift itself off the bottom of the ratings chart.

NBC also suffered a blow through its inability to televise the Moscow Olympics, which it had contracted to do.

Surge of car and steel exports cuts Japan's deficit to $1.75bn

BY RICHARD C. HANSON IN TOKYO

SHARPLY HIGHER exports of cars and steel helped to narrow Japan's current account deficit to $1.75bn in May from $1.92bn in April.

The urge in exports, however, is showing strong signs of increasing the surpluses Japan is running with the European Economic Community, where warnings of renewed trade friction are already being voiced.

Exports, the main driving force behind Japan's still buoyant economy, were up in May by 27 per cent from last year to $10.4bn, cutting the trade deficit to $650m from $831m in April.

Car exports emerged as single largest export product (18 per cent of the total last month), gaining 50 per cent over a year earlier. Steel exports, the second largest item, gained 28.5 per cent.

Although the increases in exports are measured in value terms, there has also been a steady rise in the volume of exports to Europe in recent months. This is causing concern to EEC officials monitoring two-way trade.

The trend toward larger deficits for the Community shows up clearly in the Custom-clearance trade results for the month.

Exports to the EEC were 46.1 per cent higher than a year earlier, while imports from the EEC grew only 13 per cent.

As was the trend last year, the EEC deficit with Japan is increasing much faster than that with the U.S. Exports to the U.S. were up nearly 30 per cent but imports from the U.S. jumped 39 per cent, with large increases in a broad range of products.

While there are signs that the deficit in the current account continues to narrow, there is little chance it will disappear over the next few months because of the oil import bill.

Imports were 35 per cent higher at $10.95bn, with oil accounting for 36 per cent of the total.

The long-term capital account in May showed a net inflow of $1bn, compared with an outflow of more than $2bn in April. This helped reduce the overall balance of payments from a record deficit of $5.4bn in April to only $250m in May. The seasonally adjusted balance returned to surplus ($538m) for the first time since July, 1979.

Japan election, Page 24

Continued from Page 1

S. Africa

Coloured community to discuss their grievances.

Although there were reports of only minor disturbances in other parts of the country, a major strike by 3,500 workers at the Volkswagen car plant in Uitenhage has forced the factory to close until further notice.

The industrial unrest has now spread to three further factories in the area, including two motor accessory manufacturers. There is concern that the whole motor industry in the area, where Ford and General Motors also have their plants, could be affected.

The disputes are concerned with higher wages, but union leaders say that the Government's ban on all meetings actually sparked them off.

Reporting on the unrest has been seriously affected by a police ban on journalists entering black and coloured townships—except under escort—and a complete ban on all foreign journalists.

Continued from Page 1

Wages and prices

are expected to add about 2 per cent to the index in the year to August, of which more than 1½ per cent has appeared.

Consequently, the average level of basic wage increases is probably about 16 to 17 per cent. Reports from industry indicate that pay settlements have varied more widely about that average than when pay policy applied.

For instance, the Confederation of British Industry's pay databank shows that half the settlements in private manufacturing provide for rises of less than 15 per cent, and a third of manufacturing deals include a productivity component.

Similarly, the older earnings index covering 11m workers, mainly in production industries, rose by 19.6 per cent in the year to April, about 1½ points less than for the whole economy index.

John Elliott writes: CBI leaders believe that their members are becoming increasingly determined to negotiate pay deals in the coming wage round well below the level of inflation.

That emerged from the CBI's monthly council meeting yesterday, as did warnings about the worsening industrial situation.

Sir Ray Pennock, CBI president, said: "I think I detected increasing gravity among our members. They are finding the combination of events more serious than a month ago."

The CBI leaders intend to concentrate their efforts in coming weeks on lowering the level of wage settlements and on urging the Government to abandon comparability pay systems.

They will be less vocal on interest rates.

The CBI's pay databank shows that half of pay rises are still being awarded at less than 15 per cent, although the retail price index has been rising in recent months.

Sir Derek . . . a great dilemma

Warning on salaries by State chairmen

By John Elliott, Industrial Editor

NATIONALISED industry chairman are to warn the Government that the salaries of some of their board members will fall below levels being awarded to senior executives if substantial increases are not awarded soon.

They are angry that the Prime Minister has been turning their pay levels into a political issue by discussing the Boyle report on top public servants' salaries in the Commons before they have been told what recommendations the report contains.

Sir Derek Ezra, chairman of the National Coal Board, said last night: "We are in a great dilemma because we haven't seen the report. It's now being debated before anyone has seen it."

Sir Derek is chairman of the nationalised industry chairmen's group whose executive committee considered the matter last night. The Boyle report is thought to contain proposals for rises of 20 per cent or more.

The chairmen know that the Government is considering the future of the Boyle Review Body as part of its examination of comparability pay systems, and they may argue that there is little point in having an independent review body if its recommendations are constantly altered by the Government.

Most nationalised industry chairmen have earned between £38,500 and £48,500 a year since April 1, and their board members' salaries in most industries such as airports, railways and shipbuilding fall between £22,750 and £34,500.

Continued from Page 1

Lloyds

Mr. Thomas, Mr. Green said, had studied the report and "intimated his wish to vacate the office of secretary general forthwith," rather than at the end of the year as planned. He did not wish to hold the title whilst unable to fulfill the functions of the office. He would devote his time to implementing the Fisher recommendations.

These are thought to include adapting the role of secretary general into a chief executive similar to the chief executive's role at the Stock Exchange.

The Fisher team will also have prepared a draft Act of Parliament and new bye-laws in an effort to tighten up Lloyd's regulations.

Mr. Green also indicated that the cost of the new Lloyd's building was rising dramatically from its original estimates of £45m in 1978.

Total projected costs were running at £70m and a review of the financing arrangements, at present through bank borrowings and revenue, would take place later this year, before construction began.

THE LEX COLUMN

Tesco becomes a big spender

By the close on Tuesday the stock market seemed to have accepted that Tesco's figures were going to be disappointing, and the share price at 59p made no response yesterday to the news of a fall from £37.7m pre-tax to £36.5m. This outturn shows up poorly against Sainsbury's recent exceptionally good figures, although Tesco's large non-food Home'N' Wear business inevitably left it more exposed to the deteriorating retail climate. The grocery side remained buoyant, but second half pre-tax profits tumbled almost a fifth as a result of the problems in non-food and the interest costs associated with the debt-financed expansion programme.

Tesco's underlying problem is that its continuing chase for market share has never generated the targeted improvement in margins. Back in 1973-74 it produced £24.6m (against a then £13.6m by Sainsbury) but although sales have risen by more than 3½ times in six years—and by as much as 27 per cent ex VAT in 1979-80—profits have only struggled up by around half. As for Sainsbury, pre-tax profits have reached £46m, and Tesco is also in imminent danger of being outstripped in profit terms by the upstart Asda.

The response by Tesco has been ambitious: a big spending programme costing £110m last year and maybe £115m this time, designed to raise net selling space by a third by 1984. The tactics include the closure of many small stores (some 55 went last year) and a shift back towards groceries in the medium-sized branches (of 20,000 sq ft or so) where the mixed foods/non-foods formula no longer seems to work. At the superstore end of the market, Tesco is going as fast as it can, partly in order to mop up sites before the competition.

The spending spree means, however, that Tesco can no longer live within cash flow; net cash of £20m was turned into net borrowings of £62m last year, and the figure would probably pass £100m this year but for the likelihood of some major sale-and-leaseback deals. And there is still the worry that when the new capacity comes on stream the competition in food retailing will be correspondingly more vicious. The risks are reflected in a p/e ratio of only 5.4 on minimally taxed earnings; the yield is 6.1 per cent.

Index rose 4.1 to 473.1

Westland

Westland is at last producing the Lynx helicopter at a reasonably efficient rate, and the impact is showing through in the bottom line. In addition, its figures for the half year to March benefit from the absence of last year's exceptional £1m debit, and from a £1.3m swing in interest receipts which is the result of favourable progress payments. The result is pre-tax profits of £10.6m against £4.2m. And although the inflation adjusted figures look a lot less impressive—historic cost earnings of £7.2m drop to £2.5m on a current cost basis—they still provide plenty of cover for a sharply higher dividend. So the shares jumped 14p to 94p yesterday.

Nearly a third of helicopter turnover in the period related to the original (disastrous) Lynx contract, and produced no return. This job is now finished, and Westland is reviewing the provisions totalling £17.9m which it made in 1977 and 1978 against the contract. It expects this will show a surplus, and the same applies to provisions which it also made against British Rail hovercraft.

Order intake for helicopters exceeded turnover in the half year, and the group does not now expect that the disappearance of the big Arab orders will leave it short of work over the next year or so—although it may have to fill in gaps with lower margin subcontracting jobs. Vital to the longer term health of the business is the development with Government funds of the Sea King replacement in conjunction with Agusta of Italy, which Westland hopes will take it into the civil market by the end of the decade. Meanwhile the shares yield a minimum 7¼ per cent, and the market capitalisation is £56m.

Johnson Matthey

The renewed frenzy in the bullion markets in the New Year after the excitements of the autumn provided a double boost to Johnson Matthey. Following a rise of 78 per cent over the first nine months, pre-tax profits for the final quarter soared more than 150 per cent to £18.2m. The full year outturn of £38.6m emerges well above market expectations and the share price rose 16p yesterday to 303p, encouraged by a 76 per cent increase in the total dividend, which is more than three times covered by post-tax earnings and twice covered in current cost terms.

The improvement is well spread through the group's activities, although the divisions exposed to the bullion markets have clearly increased their proportional contribution to overall turnover and profits. The strain of the extra activity has shown through in a doubling of interest charges, as net debt has risen by three-quarters through the year, mainly to finance higher levels of more expensive stocks being processed. Nevertheless, net debt is slightly less than a half of net tangible assets, and since the end of March has dropped to about a third as the bulge of precious metal processing has been completed. This leaves the company looking aggressively for acquisitions, particularly in Northern America.

EEC prepares UK spending package

BY JOHN WYLES IN BRUSSELS

A WIDE range of public sector spending programmes in the UK—including building for advanced factories and public housing—will qualify for EEC cash support if European Commission proposals are endorsed by Community governments.

Special EEC spending in Britain is to be the main method of cutting the UK's budget payments to Brussels by more than £2bn over the next three years under the agreement reached by the Nine last month.

The proposals, if adopted, would not mean a windfall for Britain's hard-pressed regions. The Government has made little secret of the fact that most of the Community money will subsidise existing or planned public spending programmes, so reducing the Public Sector Borrowing Requirement.

Under EEC rules, the money cannot simply be handed over to the Treasury. It must nominally be earmarked for programmes which support the Community's aim of reducing economic differences between and within member states.

The commission's draft regulation is the next critical phase in implementing the settlement because it specifies, among other things, the purposes for which the money can be allocated. It will receive its first political scrutiny from a meeting today of the Nine's permanent representatives.

As it stands, the draft is broadly acceptable to the UK. But some of the eight are likely to change the proposed consultative procedures, so that any commission endorsement of a British application for funds can be overturned by a qualified majority of member governments.

There may also be attempts to limit the range of programmes which the commission suggests ought to be eligible for funds.

The commission's draft is significant in several respects, both for the UK and the Comunity. It proposes that EEC money be given to finance up to 70 per cent of a spending programme in the UK. Only one other EEC spending policy, the relatively minor non-quota Regional Development Fund, offers proportionally such large cash support.

But the commission is also suggesting that a broader range of UK programmes should be eligible for EEC support than are currently backed under the community's existing regional development policies.

The draft regulation would allow investments in coal production and urban renewal programmes, and the UK could apply for money for transport and communications, telecommunications, transmission of energy, water and sewerage, industrial sites, advanced factories and public housing as well.

Final adoption of the regulations by the Nine may have to wait until the early autumn. Although some money may start to flow before the end of the year, the Government claims that most of its 1980 rebate of £717m will come to the UK in the first quarter of 1981 but still within the current financial year.

CLIMBDOWN ON BUDGET

AN UNEXPECTED climbdown by the European Parliament that will abruptly end its six-month revolt against the 1980 EEC budget proposed by member governments was signalled in Strasbourg last night.

In spite of strong opposition to the terms of the new draft budget being put forward by EEC Finance Ministers, the Parliament's budget committee is expected to vote this morning in favour of recommending acceptance of the package next week.

The "indicative vote"—in which by a 4-1 majority the committee opted to accept the new budget, even though it represents only marginal concessions on that which was rejected last December—came as a surprise development at the end of a day when the Parliament and the Ministers seemed set once again on a collision course.

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